GIVE to the Red Cross

Can the United Front Attack Beat Inflation? (p. 11)

THE FINANCIAL POST

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HERBERT VICTOR TYRRELL

This week The MacLean Publishing Company (publisher of The Financial Post) lost its oldest "employee." And Canada lost one of its most vigorous and successful businessmen.

H. Victor Tyrrell, vice-president and managing director of The MacLean Publishing Company, began life as an apprentice printer. He was one of the first to join Colonel John Bayne Maclean when the founder launched this company. He began his career with the company as a printer; he ended it as a senior executive.

Mr. Tyrrell's strengths were many. He had an international reputation in the technical phases of printing. He was always a sturdy battler for fair treatment for the publishing business on the part of governments. He had a vision of what Canadian magazines could be and helped to turn that vision into reality and substance. He had worked with his hands and knew the minds of other men who did; he was a friend of the worker and was beloved by the employees of his company. He was shrewd, resolute and kindly; a fine Canadian who sought little publicity for himself.

His very last words in his office, a few hours before the stroke that quickly brought his death, were words of generous thanks to a group of his associates for a job well done. That was typical of Victor Tyrrell.

The Nation's Business

U. S. Wants to Know Our War Story

"The tragedy is that at the present time Canada is losing the respect of the people of the United States. The American public right now does not think of us as carrying our full weight in the war. In its mind the name of Canada now does not stand high, and is dropping lower all the time."—A. D. Dunton, editor, Montreal Standard, on return from trip to the United States.

This is a serious charge and unfortunately it is not an isolated one. Similar statements have appeared in several reputable Canadian newspapers in recent weeks. It is a matter the government cannot afford to ignore any longer. As Mr. Dunton further pointed out, once the United States loses its respect for us—if that great country begins to doubt our ability and will to defend ourselves—then the whole life of Canada as a nation is placed in jeopardy.

Chief weakness in our relations with the United States has been the official reluctance to telling Americans our full war story. From the start of hostilities Ottawa adopted the attitude that nothing must be done to influence public opinion in the United States, lest our motives be misunderstood. Otherwise, it was stated, we might simply be supplying fuel to isolationists who would accuse us of unwarranted interference.

As a matter of fact, the same isolationists distorted our official silence and accused us of contributing nothing but meagre and paid support to the cause championed by Great Britain. But this official attitude of aloofness, weak enough before Pearl Harbour, is decidedly weaker and more dangerous now, and the unfortunate publicity of the plebiscite has added to the growing misunderstanding.

It would have been better from the beginning, to have laid our cards on the table. There was never any intention of trying to influence or hurry American policy. All that Canadians wanted then, all that is vital now, is an accurate American understanding of the contribution we are making to the war.

We must take steps, and at once, to convince our big and powerful neighbor that we are a full fighting partner, that we are doing our full part in this war, that we have poured out our men, our materials and our money in the common cause—that we are prepared to go to any length, to make any sacrifice to insure a common victory. We cannot do this by sitting back and waiting for American newspaper men and other publicists to come to us for our story. We must take it to them.

Canada must establish in the United States a war publicity office, adequately staffed and headed by a front-rank publicist, whose job it will be to insure that American editors get a first-hand picture of Canada at war. That office must be open at all times to explain Canadian developments to American editors, writers and commentators anywhere in the United States; it must be on the job every minute to counter and answer every piece of misrepresentation, international or otherwise, about Canada. It should maintain a speakers bureau to insure that any organization desiring to hear of Canada's war activities would be able to get an informed speaker and get him quickly.

No stones must be left unturned to secure a first class presentation of our story in the United States. The United States people will welcome a move of this kind on our part. They are not worrying about "propaganda" from Canada. We haven't any propaganda other than an honest story, candidly told. We have a long overdue selling job to do in the United States. Let us get busy before it is too late.

* * * *

TRIBUTE TO CANADA

Malcolm Macdonald told Britishers last week that the only martial exercise in which Canada is not well trained is in "blowing its own trumpet."

He referred to our magnificently trained troops; the miraculous growth of our navy and the British Commonwealth Air Training Plan whose efficiency had doubled the expected output.

Even if Mr. Macdonald had not graciously paved the way, there are three news events bearing on Canada's war effort which deserve more than a trumpet note at this time. They are:

1. The forthcoming United Nations Air Conference at Ottawa on May 18.
2. Elevation of Canada to a seat with Britain and United States on the Munitions Assignments Board.
3. The adoption by the U. S. of an "overall" price ceiling.

Each of these events is a tribute to Canada's war effort.

It is well-known that the United States wanted greatly to have the Air Conference held at Washington. But Canada's outstanding job in pioneering the training of air men, made Ottawa the logical and inevitable choice. Every nation now recognizes (and will do so increasingly after May 18) that Canada has set the pace in this sphere.

The enlargement of the Munitions Assignment Board into a three-nation body in place of the present U. K.-U. S. arrangement is a tribute to the fact that Canada is the fourth most important munitions-producing unit of the United Nations, and one of the three munitions "exporting" countries. Apart from Britain and the United States, we are the only nation with any surplus equipment and supplies over our home needs. In face of repeated requests that this board be enlarged to include other nations, Canada alone, has, by the sheer weight of her munitions output, been able to obtain a place on the board.

And, finally, the price ceiling, is an unblushing tribute of the most powerful nation in the world to an experiment wholly Canadian in its conception and application.

The U. S. act, while not going so far as the Canadian programme, has nevertheless attempted to profit by some of our mistakes. If it is successful it lays the basis for an unprecedented control, by democratic governments, of inflation. Australia first followed Canada's example. Now the United States has shown that imitation is indeed the sincerest form of flattery.

There is much more to be done before this war is won. There is little time for self-congratulation or complacency. Yet proper recognition of achievements such as these, by Canadians themselves, by fellow-members of the United Nations, and indeed by our enemies, is far from amiss.

Plan Merger Soft Drink Concerns

E. P. Taylor Heads Associated Bottlers — Plans to Acquire Many Companies

Associated Bottlers Ltd. has been formed to carry out an amalgamation of bottling concerns throughout Canada, it is announced.

The new company is linked with Orange Crush Ltd. and has acquired the soft drink unit of Canadian Breweries Ltd., O'Keefe's Beverages Ltd., and Evangeline Beverages Ltd., both of Toronto. It has also made an agreement with Charles E. Hires Co., Philadelphia, whereby Associated Bottlers will bottle and distribute Hires Root Beer throughout Canada.

Full details of the arrangements have not been made public. It is learned, however, that Orange Crush shares are not to be disturbed although it is possible that a special meeting of Orange Crush shareholders may be held at a later date to ratify any arrangements where it is considered necessary or desirable.

Canadian Breweries has accepted 5% debentures of Associated Bottlers in payment for the business of O'Keefe's Beverages Ltd. The latter, it is stated, had become profitable prior to the war but under independent operations under present conditions there is no hope of its making money.

It is the intention of the new organization to acquire many additional businesses as time goes on and to operate on a national scale.

E. P. Taylor, president of Canadian Breweries and of Orange Crush, is to be president of the new company. His plans for the new company strongly resemble those that have proved successful in Canadian Breweries whereby weaker units were consolidated with stronger and unnecessary plants closed.

He Heads Red Cross Drive

Guiding genius of the Canadian Red Cross campaign for $9 millions for war services is Jackson Dodds, general manager of the Bank of Montreal. London-born, the son of a British civil servant, he well knows what a friend the Red Cross was to soldiers in the last war—he himself was in France as a private in 1914. There were dire predictions that Private Dodds would not survive long because his height—six feet five inches—kept his head protruding above the top of the trenches. He lived to win the rank of lieutenant colonel, the O.B.E., the Mons Star and four citations in despatches. Afterward, in recognition of his services, he was given the freedom of the City of London. Mr. Dodds started his banking career in Great Britain but came to Canada in 1901, joining the Bank of British North America. Besides being chairman of the Central Council, Canadian Red Cross, he is chairman of the Finance Committee, Boy Scouts Association of Canada.

Move to Halt Job Jumping

Production Slowed by Shifting of Workers

By STAFF WRITER

OTTAWA.—Statement in the House this week by Hon. C. D. Howe, that 6,000 workers were needed at Arvida and Sudbury, touches the most troublesome spot in Canada's immediate man-power problem.

Since national selective service regulations were issued on March 24, there has been a greater restlessness and turnover among Canadian labor in certain key industries than at any time since the war began. The fear of being "frozen" in particular jobs, plus anxiety to seek more profitable employment while the seeking is good, is probably at the back of much of this shifting.

Whatever the causes, production of certain key war materials has been considerably affected. This is directly due to shortage of man power—failure to hold a sufficient number of workers to meet the expanding needs of war work.

To meet this situation, official thought at Ottawa is moving along the following lines:

1. Continued and repeated assurance that no "freezing" of Canadian labor is contemplated beyond the original stabilization of farm labor.

2. Immediate need for some sort of running inventory of man power to provide accurate knowledge of "local" shortage or surplus conditions.

3. The need for controlling the movement of labor, not by freezing, but by channelling of all employment through suitable agencies.

4. Eventual co-operation of individual company employment offices to assist in this work.

5. Requiring advance information from employers as to anticipated man-power requirements.

Unrest Most Difficult

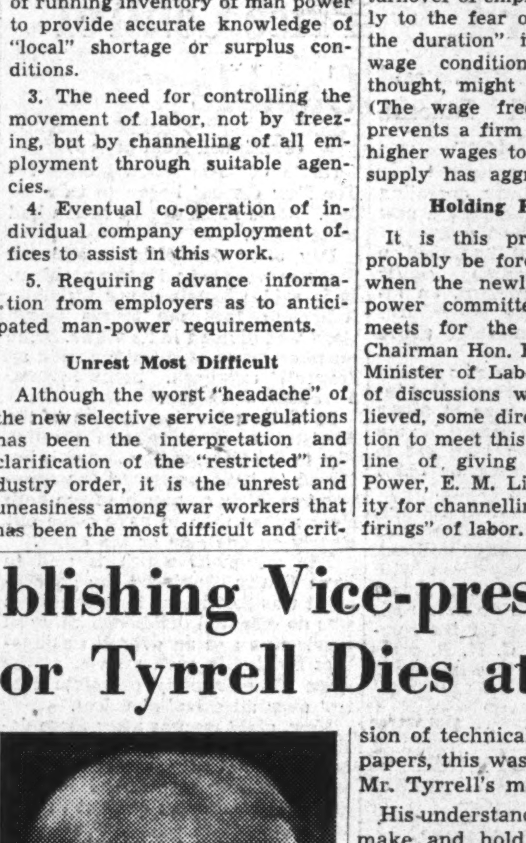
Although the worst "headache" of the new selective service regulations has been the interpretation and clarification of the "restricted" industry order, it is the unrest and uneasiness among war workers that has been the most difficult and critical part of the new programme.

At first, there was a rush back to the farms by men who were apparently anxious to avoid being drafted into the army. Since then there has been an abnormally high turnover of employees due apparently to the fear of being frozen "for the duration" in places or under wage conditions which, it was thought, might be improved upon. (The wage freezing order which prevents a firm or industry paying higher wages to "protect" its labor supply has aggravated this.)

Holding First Meeting

It is this problem which will probably be foremost in discussion when the newly-constituted man-power committee of the cabinet meets for the first time under Chairman Hon. Humphrey Mitchell, Minister of Labor, this week. Out of discussions will come, it is believed, some direct and prompt action to meet this situation along the line of giving Director of Man Power, E. M. Little, wider authority for channelling the "hirings and firings" of labor.

MacLean Publishing Vice-president Herbert Victor Tyrrell Dies at 68



H. V. TYRRELL

With the death on May 6 of Herbert Victor Tyrrell, vice-president and managing director of The MacLean Publishing Company, Limited, the Canadian publishing field lost one of its most outstanding figures and more than 900 employees of his organization a distinguished leader.

A sudden heart attack suffered at Brentwood, Mr. Tyrrell's country home in Willowdale, ended a great career.

Born at Bothwell, Ont., almost 69 years ago, Mr. Tyrrell was educated at the Thamesville High School and at 15 years of age became an apprentice printer on the Bothwell Times.

When Mr. Tyrrell entered the first plant of the J. B. Maclean Co. (as the company was then known) in 1898, he was a journeyman printer. He composed type for its earliest publications—Canadian Grocer, Dry Goods Review (now Stylewear), Hardware and Metal, Bookseller and Stationer, Canadian Printer and Publisher. Later he advanced to "make-up" where his talent for organization and business became apparent.

In 1902 he was taken from the composing room to the business office and was made chief advertising clerk. He was later appointed advertising representative in Ontario for the MacLean papers.

During the time he was on the "road," the success of the machinery department of Hardware and Metal made the establishment of a purely machinery journal necessary.

Mr. Tyrrell became manager of Canadian Machinery and when the company inaugurated a division of technical-industrial newspapers, this was developed under Mr. Tyrrell's management.

His understanding, his ability to make and hold friends and his sound judgment led to his appointment as general manager of The MacLean Publishing Company, when the J. B. Maclean Co. was expanded.

In December, 1933, when Colonel Maclean became chairman of the board and Horace T. Hunter rose from the vice-presidency to the presidency, Mr. Tyrrell was elected vice-president and managing director.

He brought to his office a complete knowledge of every phase of the business. The fact that he had travelled widely, both in North America and on the continent, gave him a broad perspective that was invaluable.

Mr. Tyrrell was a member of the National, Granite, Canadian and Empire clubs, as well as a member of the Eglinton Hunt Club, where his horses won innumerable prizes in the ring.

Surviving are Mr. Tyrrell's widow, Jean Young, formerly of Newcastle, Pa., and their only child, Marion Jean; two brothers, Melville Tyrrell of Bothwell, and Roy, of Dresden, Ont.

Our War Output Pooled In Giant Deal With U. S.

May Also Build Alaska Railway

From Our Own Correspondent

OTTAWA.—U. S. army engineers are now making a preliminary survey to test the feasibility of a Canada-Alaska railway, The Financial Post is informed. The survey is being made in co-operation with the Canadian government.

Idea for a railway as a war measure is said to have come from an uncle of President Roosevelt. On the strength of a memorandum prepared by him, it was decided to release some engineers to find out whether a railway line would be a wise or useful addition to the airline and highway facilities now being opened up to link Alaska to its mother country.

Presumably their report will come before the permanent joint defense board for ultimate decision.

Scheme Involves Problems of Dollar Parity, Gold Production, and Attacks Our Crucial Foreign Exchange Shortage

By KENNETH R. WILSON

OTTAWA—A momentous new dollar-weapons deal between Canada and the United States is in the making.

Involved in the deal is Canada's membership in the U.S.-U.K. Munitions Assignments Board (announced in The Financial Post last week); the question of dollar parity; the production of gold from Canadian mines; the "pooling" of Canada's raw and finished war materiel, as well as the ultimate administration and direction of Canada's whole war production effort.

Primarily, what will emerge from present discussions here and at Washington is a new formula whereby Canada is assured of sufficient U. S. dollars to meet the cost of component parts and war materials which she must purchase in that country.

Would Form Giant Arms Pool

Canada would then be free to "pool" her production of finished munitions which would be allocated to whatever part of the world they are needed.

One proposal is that there would be a complete "settlement" of the Canada-U.S. war account every three months. This would clean the slate and eliminate in each quarter, the adverse "balance" of dollar payments which has been piling up against Canada in recent months.

This adverse balance is due, of course, to Canada's heavy war commitments for steel, war machinery, equipment, parts, etc., which she must purchase from the United States. Without assurance of U. S. dollars to meet these bills, it was difficult, if not impossible, for Canada to "pool" her production. It was this "pooling" of production which was involved in Canada's acceptance of tripartite membership in the Munitions Assignments Board at Washington. As formerly constituted, this board had two members — United Kingdom and United States.

In principle, Canada's request to have the board enlarged to include this Dominion has been accepted. But its implementation has brought to a head matters of the very highest fiscal, economic and political importance to this country.

The Minister of Finance and his deputy, together with the Minister of Munitions and Supply visited Washington this week to continue and, if possible, conclude negotiations.

Out of these discussions is expected to come:

1. A decision as to whether the Canadian dollar is to be returned to parity with U. S. dollars.
2. A new formula for maintaining Canadian gold production on a modified basis for the duration of the war.

U. S. Wants Parity

Parity discussions will involve the old arguments of tourist and trade benefits between the two countries as well as the new circumstance of a week-old price ceiling regulation in the U. S., which now attempts to match the corresponding curb in Canada. The Americans are reported as more than ever anxious to see parity restored.

Pressure for dollar parity seems to have come from the U. S. Treasury where Secretary Henry Morgenthau is understood to feel that Canada's dollar needs can be easily looked after.

In Canada, support for parity is said to be coming from price control officials who find the premium on U. S. imports a heavy load on the Canadian price level.

Opposition comes chiefly from exporting groups—paper companies, gold mines, travel businesses, etc.

Canada has been proverbially loathe to countenance anything which would tend to increase Canada's "adverse" dollar balance. She

(Continued on page 2, col. 7)

Quebec's Plans For Own Hydro Seen Delayed

From Our Own Correspondent

MONTREAL.—Quebec's announced plans of setting up a provincially owned hydro electric system through acquisition of the privately owned companies is by no means as near as the preliminary announcement led many to believe.

Though entirely without confirmation it is reported in some quarters that Ottawa has asked Quebec to put off any action in respect to a provincially owned system probably for the duration.

The reasons for this are said to be that the Dominion government fears such a move at this time would interfere with the war effort. Moreover the readjustments necessary might not only affect operations but also would have a bearing on Dominion revenues not only in respect to Quebec but other provinces.

The government has made it known that it does not intend to take immediate action.

Prorogue Shortly

One reason is the indication that the provincial assembly will prorogue around May 15. It would be impossible to draw up the necessary legislation and have it passed before that date.

The situation is somewhat similar to that following the government's announcement of support for the St. Lawrence seaway and power project. Immediately the Legislature passed a bill authorizing the government to purchase or expropriate the Beauharnois Light, Heat & Power property. This was nearly a year ago. To date no definite move has been made.

Promote Canada In Great Britain

By STAFF WRITER

OTTAWA.—Captain Campbell Moodie will shortly be named overseas representative of the Department of Public Information with headquarters at Canada House, London, The Financial Post is informed. He has been seconded from the National Defense headquarters staff and will act as liaison officer for J. Herbert Lash, Director of the Department of Public Information at Ottawa.

Capt. Moodie is a Canadian, was formerly with the Bank of Montreal in New York. He returned to Canada to join the Canadian Force and was attached to headquarters staff at Ottawa serving for a time as secretary of the National Recruiting Committee.

How Canada Fits Into Joint Plan Machinery

By STAFF WRITER

WASHINGTON.—With Canada's delegation to a seat on the Munitions Assignment Board of the United Nations she now is an active participant, as a principal, in five major war boards centring in Washington.

First come the Canada-U. S. joint boards:

Permanent Joint Board on Defense;
Joint Economic Committee;
Joint War Production Committee;
Material Co-ordinating Committee.

These four boards deal only with matters coming up between Canada and the United States.

There are four major boards which serve to pool the responsibility and authority of Britain and the United States, as the leaders of the United Nations. They are:

Combined Chiefs of Staff;
Munitions Assignment Board;
Combined Raw Materials Board;
Combined Shipping Adjustment Board.

Up to now, these four boards have consisted only of U. K. and U. S. representatives. Now Canada is to join the Munitions Assignment Board as a third member.

There will be a series of working subcommittees of the Munitions Assignment Board consisting of representatives of the fighting services. Canada will be included on these. Decisions of the subcommittees will be later approved by the board itself, where Canada will also have representation.

All war production of Britain, the United States and Canada, except that required for home defense in its narrowest definition, will be pooled and the Assignments Board will determine where it is to go.

Thus Canada's Department of Munitions and Supply—up to now the "purchasing agent" for the armed services of Canada and for the United Kingdom—will henceforth be largely influenced by decisions of the three nations board.

Still another joint United Nations board is in the making, as outlined in The Financial Post of last week. It would fill a major gap now left in the joint planning structure. It is a Joint War Supply Board which would seek to pool the industrial facilities of all the United Nations and develop joint plans for diversion of materials from civilian to war use.

It is not known if Canada will be included on this Board.

Canada Wins Her Big Gamble

U. S. Follows Her Lead in Price Control Method

By STAFF WRITER

OTTAWA. — Eight months ago three men here advised the government of Canada to make the boldest move in the economic history of this or any free country.

What they asked the government to gamble on was this: that Canada, by adopting an "overall" price ceiling, could not only stave off a multi-billion dollar wage-price inflationary spiral in this country, but that our example could influence the United States to adopt the same revolutionary tactics.

Even to lead Canada along the untried, tortuous pathway of overall price control was a tremendous responsibility. But these knew (as did everyone else) that Canada could never go this path alone.

For this country to halt and fix ALL prices, while our biggest customer and supplier (the country with whom we did $1,800 millions worth of trade in the past fiscal year) was treading the heady pathway to inflationary doom, just didn't make sense.

Double-barrelled Gamble

The wager, then, was double-barrelled.

1. It was a wager that Canada could do something which no free nation had ever previously attempted: knock out a wartime inflationary spiral with one haymaker punch.

2. Influence the United States to take similar action.

No one can yet tell what the ultimate outcome of the first part of this wager will be. But when U. S. Price Administrator Leon Henderson issued his "General Maximum Price Regulation" on the night of April 28, 1942, it began to look as if Canada's Number One Economic Advisers had at least won the second and possibly their most important point.

The men who advised Canada to take this step were Graham F. Towers, Governor of the Bank of Canada; Dr. W. Clifford Clark, Deputy Minister of Finance, and Dr. W. A. Mackintosh, who modestly styles himself "special assistant" to the Deputy Minister of Finance.

Job at First Simple

Canada had had a Wartime Prices and Trade Board since the first hour at which war was declared. Its prime responsibility was to provide safeguards against increases in the cost of fuel, food and housing accommodation and other "necessaries of life" and to ensure their adequate supply and equitable distribution. Actually the Board's chief work, during the first two years of its life, was the provision of adequate and regular supplies. Apart from rent control in certain areas and temporary maximum prices on wool, bread and flour, there was little attempt at price-fixing.

In the summer of 1941 the picture began to change. Prices began to rise sharply. The war-inspired

(Continued on page 2, col. 5)

Tie Tips
from
EATON'S

Just Arrived
from England

Welch-Margetson
REAL SILK
KNITS

No need to say much about these wonderful ties, their reputation speaks for them! Real silk, beautifully hand-framed by this celebrated maker in fancy stripes and some plain shades.

Each 3.50

Main Store—Main Floor.

T. EATON C° LIMITED
TORONTO CANADA

Ottawa Car and Aircraft announces election of Harold W. Soper, of Ottawa, as president. Allan T. Lewis, K.C., was elected vice-president, and G. L. Snelling, secretary-treasurer.

CITY OF MONTREAL
Bonds matured
15th December, 1941

Semi-annual interest on these bonds will be paid by cheque on the 15th June, 1942. Registers will be closed from the 15th May to the 15th June, inclusively.

L. ROBERGE,
Director of Finance.

City Hall,
Montreal,
5th May, 1942.

Negotiations Starting On New Power Plan

Acting to prevent a serious power shortage in Ontario, Premier Hepburn and his Cabinet have authorized Dr. T. H. Hogg, chairman of the Hydro-Electric Power Commission of Ontario, to go ahead with negotiations for an agreement with Quebec on a proposed development on the Ottawa River.

That such action would come has been predicted on several occasions by The Financial Post. Ontario is faced with a growing shortage of power. The best and quickest place to get more power is to develop one of the major sites on the Ottawa River. To do this requires an agreement with Quebec province as power rights on the Ottawa River, boundary between the two provinces are shared by Ontario and Quebec.

How soon an agreement can be reached depends primarily on the attitude of Quebec. It can be taken for granted that Dr. Hogg will push energetically for an early decision.

Two Years to Complete

At least two years would be required from the time work starts until power can be delivered. That means on the most optimistic estimates, early 1944. Meantime, Ontario will have to weather a serious shortage this fall and winter and a critical one in 1943.

Of the two major power sites on the Ottawa River, it is known that Ontario Hydro favors that on the upper Ottawa near Pembroke. It is believed the cost of developing this site would be substantially less than that of the Carillon down the river from the city of Ottawa. Estimates of the probable cost of upper Ottawa development run around $40 millions. New transmission line would be built, plus new power generation facilities.

While a satisfactory agreement between Ontario and Quebec probably would mean the major obstacle overcome, it would still be necessary to arrange with the various wartime controllers for permission to go ahead. For example, the Power, the Steel and Non-ferrous Metals, the Construction Controllers will all have to agree.

It will also be necessary to get authority, or priority, from authorities in the United States to obtain materials which can only be purchased there.

A type of agreement used in similar cases in the past has been for a private company to handle the Quebec end of the job with Ontario Hydro doing Ontario's share. Ontario Hydro might, of course, do the whole job itself, probably giving Quebec the right to acquire its share of the project under predetermined conditions and after a certain length of time. It might also be handled with each province doing its share of the job and Quebec arranging to sell its power to Ontario until it could use the power at home.

St. Lawrence Not Abandoned

It is not thought the decision to go ahead with the Ottawa River proposition means that the St. Lawrence project has been abandoned or that Ontario does not expect to carry out its agreement to pay for and accept some million horsepower from that source, if and when it is ready. It has been delay in getting a decision on the St. Lawrence project from the United States that has finally forced Ontario to go ahead with a development on the Ottawa River which can be made ready sooner.

With Ontario now anxious to complete the latter job as soon as possible, it is quite possible that, arrangements might be made for some modification of the present terms under which Ontario would co-operate in the St. Lawrence scheme. Unless this were done, Ontario would find herself with total commitments of upward of $140 millions, a very heavy burden.

QUEBEC OPINION DIVIDED

MONTREAL.—Ontario's decision to go ahead with a $40 millions hydro-electric power development on the upper Ottawa is welcomed in Quebec power circles as it is felt there will now be less interest in the St. Lawrence power project.

There are only two major power sites available on the Ottawa River in which the two provinces have a joint interest. One is at Carillon, midway between Montreal and Ottawa; the other Des Joachims, near Pembroke.

Opinion here is that the upper Ottawa scheme is the more practicable. Power from that point can be transmitted over a new line direct to Leaside or the new Burlington substation. It is a more economical venture than the Carillon scheme, which involves so many extra rights that compensation costs are said to be almost prohibitive for economical power development.

There is talk in some political quarters of opposition to further rights being given to Ontario. This is said to arise from the disappointment of Quebec over the establishment of the new magnesium plant at Renfrew instead of at some point in Quebec. Raw material for the magnesium plant comes from Quebec; its preparation taking place in Ontario.

This opposition, however, may not be as great as suggested. Private power companies, it is understood, favor giving Hydro the rights asked.

At this stage, and especially in view of the talk about establishing a provincial hydro-electric system in Quebec, it is extremely doubtful if the Quebec government will approve of private interests taking a hand in the development.

The War and Business . . .

Rationing Savings

No official figures are yet available in regard to gasoline, sugar and other restricted commodities and may not be for some time. But informed observers believe that very substantial progress is being made.

The ban on gasoline, of course, is of so recent origin that it may be well into midsummer before savings will begin to count. The fact, too, that most of Canada's million and a quarter motor vehicles commenced the rationing period, April 1, with full tanks of gasoline will make the showing of the first month misleading. It is believed, however, that rationing should reduce gasoline consumption of passenger automobiles by about a third.

In sugar even larger savings are anticipated, because restrictions here, while voluntary, apply to the whole range of consumption, both consumer and industrial.

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Going to Bed Earlier

Canadians are going to bed earlier these nights. To the Canadian Broadcasting Corp. that has meant rearrangement of its widely listened to National News Bulletin which has long held the national network spot at 11 p.m. Eastern Time. For weeks now the C.B.C. has been getting letters from farmers who have to turn in before 11, soldiers who have their "lights out" sound at 10.15, tired war workers who can't stay up the way they used to, provincial government officials, resolutions from municipal councils, boards of trade and Canadian Legion posts. Starting of National Daylight Time made it all the worse.

Meeting that demand to help keep Canada informed but still bright-eyed, the C.B.C. on May 10 is moving its news broadcast an hour ahead to 10 p.m. Eastern Time.

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Red Cross Movie

R. S. McLaughlin of General Motors has just underwritten a special film which will be used in the Canadian Red Cross Society drive this month. It's the one-reel "There Too, Go I" which will be shown in some 500 theatres throughout Canada. It was produced by Associated Screen Studios and filmed chiefly in England, showing Red Cross services to Armed Forces and to civilians there. A French version is also being prepared.

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Scrap Mine

Aside from large factory districts, where because of short distance and concentration there is no problem, the agricultural districts of Western Canada constitute the country's largest hunting grounds for scrap iron and steel. There are still literally tons of scrap metal lying around Prairie farms, largely in the form of discarded agricultural implements. But collecting this presents quite a problem because the stuff is heavy and it is spread over a very wide area. Moreover, even after it is concentrated along the railways it is still thousands of miles from the country's major steel plants and foundries.

While raw pig iron was plentiful it was much cheaper to import this than it would have been to bring scrap down east from Western Canada. But raw pig iron is no longer plentiful and soon it is expected special efforts will be made to tap the western scrap mine, even if the move is not strictly profitable from dollars and cents point of view.

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Women War Workers

About 150,000 women are being added to Britain's munitions payroll every month, according to the British Ministry of Information. Total increase of female employment in munitions and other vital industry over the pre-war level is estimated at over 1.5 millions, and total gain in the first three months of the current year is estimated at half a million. Some five million women in Great Britain are registered as potential labor for industrial work.

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Much Work — No Profit

Around 10,000 cheques belonging to the Canadian government go through the Ottawa office of one Canadian bank every day. The normal nickel service charge would give the bank a revenue of $500 a day, or around $150,000 a year.

The Bank act however, rules that no charge on government business is permissible.

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Beauty Parlors

Dr. Herbert Bruce asked about male employees of beauty parlors in the House of Commons recently.

For an answer, he got 12-year-old figures which he was warned were pretty moth-eaten. They showed that in 1930 there were 2,385 beauty parlors in Canada exclusive of those operated as departments of barber shops employing 930 males and 3,618 females.

Dr. Bruce was told also that there was no present intention to limit female employment in these establishments.

HOLD HIGH THE TORCH OF FREEDOM

Marshalling Financial Resources

TO WIN THE WAR

Through its offices in Canada and abroad, the Bank of Montreal is co-operating with our Government in marshalling financial resources to win the war.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*

Our War Output Pooled In Giant Deal With U. S.

(Continued from page 1)

will probably seek at the very least a further hoist in the parity settlement until the new conditions have had a chance to adjust themselves.

Discuss Gold Outlook

Future of gold mining production in Canada will undoubtedly loom large in the discussion. Some weeks ago Ottawa learned that Canada's "indent" for glycerine from the United States was to be reduced by an amount which coincided precisely with the amount used in production of explosives for Canadian gold mines. A similar reduction occurred in the "indent" for South Africa.

Because of possible political repercussions in South Africa if gold mining were handicapped in this way, it is understood that President Roosevelt himself intervened and prevented the prospective cut in glycerine to that country.

Meanwhile, important negotiations have been under way between Canadian and U. S. officials to find a way of meeting the situation in Canada. Some formula which would fit in with the new dollar-weapons deal and which would at the same time indicate Canada's willingness to release man power and materials from gold mines to meet war production needs is expected to develop within the next week or two.

Most likely plan to be adopted—if any—would be a straight tonnage cut of say 20% in gold ore. Mines producing both base metals and gold would be exempt and provision might be made for some marginal producers to be exempted.

In his last budget speech (April 29, 1941,) Hon. J. L. Ilsley indicated that the estimated war purchases of Canada in the United States during 1941-42 (fiscal year) would total $428 millions. He placed total Canadian purchases from the U. S. at $953 and our sales in that country at $475 millions.

All Estimates Exceeded

All these estimates have been exceeded.

Canadian purchases in the U. S. in the past 12 months have totalled more than $1.1 billion—an increase of more than 15% above Mr. Ilsley's figure. No official information as to war materials sale to the U. S. is available, but it is probable that the total is well above the $500 millions mark.

Canada's exports in the same period were $660 millions, a gain of $187 or 40% above Mr. Ilsley's "guess."

Despite a small net "gain" in this direction, Canada's unfavorable balance with the U.S. probably still continues at or near the rate forecast by Mr. Ilsley of $478 millions annually. It is aggravated by the poor tourist prospects for 1942 and by the fact that while our needs for U. S. war purchase will continue or accelerate, the entry of Canada into a United National weapons "pool" reduces our chances of implementing the Hyde Park agreement. (This agreement provided a means whereby Canada might sell surplus production to the United States and offset her adverse dollar balance.)

Nub of Negotiations

Settlement of these and allied problems by means of a firm commitment on the part of the U. S. to provide sufficient U. S. dollars to meet our war purchases in that country is the nub of current negotiations for a new deal.

Such a deal would involve a commitment by the United States to provide possibly $500 millions of U. S. dollars on the understanding that Canada throws her entire surplus of munitions production into the newly planned "pool."

There are various ways this objective could be attained, one obvious solution being a straight exchange of materials and components imported for Canadian war purposes against contributions of finished weapons by Canada to the United Nations "pool."

United Gas & Fuel Co., Hamilton, is investigating the possibility of obtaining material to construct a $1.5 million water gas plant to help meet the city's industrial and domestic needs. Ottawa authorities have given the company authority to obtain necessary data, but final construction will depend upon the ability to obtain the material needed. Natural gas supply in Hamilton, which is supplemented by manufactured gas from the Hamilton By-Products Coke Ovens plant, is dwindling and fuel shortages have been felt.

Strike in Banks Said Limited To Juniors

From Our Own Correspondent

MONTREAL. — With the strike among employees of the Banque Canadienne Nationale in Montreal in progress nearly a week it appears:

The strike is confined to members of the staff on the Island of Montreal.

It involves less than 100 of the bank's 2,200 employees.

More than half of the strikers have had less than two years service in the bank and more than half are under 21 years of age.

Main points at issue between the bank and the Office and Professional Workers Organizing Committee which called the strike are:

Recognition of the Union.

An increase in pay of employees to the level of the English-speaking banks. The union claims that starting wages of the Banque Nationale were $416 a year while those in the English-speaking banks are around $700. The latter figure appears to be higher than the average, however.

The strike is believed the first that has ever taken place among bank employees in Canada. It was called by Local No. 5 of the O.P.W.O.C. which is affiliated with the Canadian Congress of Labor.

Committee Is Active

There have been reports for some months past that attempts were being made to unionize bank employees. The "missionary" work has not been confined to the Banque Canadienne Nationale. Organizers are understood to have been active in the Bank of Montreal, Royal Bank of Canada and the Banque Provinciale, all of which have their headquarters in Montreal.

Union organizers are understood also to have been active in Toronto. Nowhere, however, have bank employees been attracted in large numbers, it is understood.

The strike among the Banque Canadienne Nationale employees was sprung as a surprise. Local No. 5 of the O.P.W.O.C. is not exclusively a bank employees union. It is composed of office and professional workers in any type of business.

While the union claims some 250 Banque Canadienne Nationale employees went on strike, the bank officially states 89 junior members did not report for work when the strike was called.

The day following the strike call, about 12 employees returned, so that actually there are only about 75 on strike at present.

Staff on the Island of Montreal numbers around 925 in 70 branches.

The great majority of these employees, the bank states officially, "had, in writing, expressed their will to stay out of any union."

Wages paid junior bank employees are generally viewed as apprenticeship wages because after a few years of basic training the youth of ability will start up the ladder of promotions which provide satisfactory salaries. In addition, bank workers have a very high degree of security plus pension plans, insurance and sickness funds, which make a very real addition to the value of the salary.

ELECTED TO DIRECTORATE

At the annual meeting of Cockfield, Brown & Co. Ltd., held in Montreal, F. W. Gross (left) and A. R. McGill were elected to the board of directors. Mr. Gross has been with the agency since 1930, Mr. McGill joining in 1933.

The Home Front

Salvation Army Will Have Drive

Because the Canadian government has ruled that there can be no united campaign by the National War Service Organizations this year, and since the government has decided to finance from the federal treasury only the wartime work of these organization, the Salvation Army will find it necessary to appeal to the public for funds next fall to carry on its regular home service programme.

"This simply means we practically revert to the policy and practice which existed prior to 1941, when at the request of the government, the Salvation Army joined with the other War Service Organizations in one united campaign in raising both war and home service requirements, which was held in March, 1941."

Investor's Index

May 9, 1942

Asbestos Corp. 4, 18
Beach Foundry . 12
Beatty Bros. . . 4
Brewers & Dist. 5
B. C. Elec. Rly. 12
B. C. Power . . 12
Brown Co. . 4, 5, 12
Can. Cr. Stone 9
Can. Machinery 15
Canada Malting 4
Can. Nor. Pr. 5, 16
Can. Steamship 4
Candn. Airways 9
Can. Col. Air. . 13
Can. For. Inv. 5, 17
Can. Ingers'l R. 12
Can. Invest. Fd. 5
Can. North. Pwr. 13
C. P. R. 4
Can. Vickers . . 5
Claude Neon . . 12
Confed. Amuse. 12
Cons. Pap. 9, 13, 17
de Havilland . . 5
Dom. Textile. 7, 15
Eastern Theatre 2
English Electric 9
Federal Grain . . 5
G. W. Hendershot 9
Gatineau Pwr. 5, 13
Gen. Steel Wares 5
George Weston . 4
Granby Elas. W. 15
Int. Bronze Pdrs. 4
Int. Metal Indus. 5
Jam. Pub. Serv. 12
Kensington M. . 12
Legare, P. T. . . 12
Loblaw Groc. . 9
London C. Inv. 4
London Realty . 9
Maritime Elec. . 15
Medicine Hat G. 9
Mtl. L. H. & P. 20
Mtl. Tramways. 12
N. B. Power . . 15
Orange Crush . 1
Ottawa Car . . 9
Para. Oshawa . 12
Para. Pictures . 15
Preload Co. . . 5
Robert Gair . . 9
Sec. Inter-State 9
Silverw'd D'ries 15
Sou. Can. Pwr. 4
Super-Service S. 12
T. C. A. 4
United Gas & F. 2
United Secs. . . 4
W. D. Beath . . 5
Wellington Bldg. 5
West Koot. Pwr. 4
Western Grocers 5
York Knitting. . 15

MINES AND OILS

Duquesne 19
East Malartic . . 19
Eldorado 19
Granby 19
Hard Rock . . . 19
Hedley Mascot . 19
Homestead . . . 19
Howey 19
Jason 18
La Luz 19
Lake Shore . . . 19
Mal. G. Fields . 18
Man. & Eastern 19
Matach. Consol. 19
Mining Corp. . . 18
Normetal 19
Osisko 19
Sherritt Gordon 18
Ventures . . 18, 19

REGULAR FEATURES

Banking 17
Bonds 5
  Bond Quotations 14
Business, Week in 7
Company Reports 9, 12, 15
Editorial 6
Insurance:
  Fire and Casualty 8
  Life 8
Investment Page 4
  Enquiry Letters 13
  Market Opinions 4
  Stock Quotations 14
Mining Pages 18, 19
  Mining Quotations 14
  Mining Reports 18, 19
Municipal Finances 3
Oil Page 18
  Oil Quotations 14
  Royalty Offerings 13
Wheat Page 15
  Wheat Quotations 15

Rail Revenues Set Record

Combined C.P.R. and C.N.R. April Income Highest in History

From Our Own Correspondent

MONTREAL.—Railway operating revenues in April established a new all-time record for the month.

Aggregate income of the Canadian National and Canadian Pacific amounted to $48.9 millions, an increase of 18.4% above the returns for April last year, and 65.4% above those for April, 1940.

For the first four months of the current year combined operating income of the two systems at $186.2 millions established a record for the period. The previous high set in 1929 was $164.4 millions, or 13.2% less than the current figure.

In comparison with 1941 returns, the first four months of this year show an expansion of $34.8 millions, or 23%, while in comparison with the prewar 1939 figure there was a gain of $95.1 millions or over 95%.

Comparative figures for the combined C. P. R. and C. N. R. gross earnings for the first four months of recent years follow:

(January-April)

1942 ...	$186,205,000	1937 ...	$105,570,000
1941 ...	151,413,000	1936 ...	78,828,000
1940 ...	118,719,000	1934 ...	87,461,000
1939 ...	95,107,000	1935 ...	73,183,000
1938 ...	95,728,000	1933 ...	91,216,000

Quebec Election Not Likely Now

MONTREAL.—There will be no general election in Quebec this year, according to well-informed opinion here.

A report that Mr. Godbout would go to the country has gained wide circulation here in the past week or so. Reports of the Quebec government intention to set up a provincially owned hydro electric system were seen in some quarters as providing the Godbout government with a major issue which might be expected to be popular with the voters.

But the Godbout government has just lost ground because of the decisive Quebec "No" vote on the plebiscite; it took over late in 1939 and still has the better part of three years before it must call an election, and it is understood no such action will be taken at present.

Canada Wins Price Control Gamble

(Continued from page 1)

formula of "Too Much Money for Too Few Goods" began to take effect. Some more drastic action had to be taken.

Day after day officials and authorities wrestled with the problem. It is said (though never officially indicated) that the Prices Board itself was divided in its views. Some members were reported favoring an "overall" approach. Some favored a "selective" ceiling.

In making its view known to the Minister of Finance and through him to the Cabinet, the Board is believed to have presented the argument as fairly as possible from both sides rather than to have come out clearly on one side or the other.

The argument which is said to have finally convinced the government was that in the long run there was no essential difference between a selective and an overall ceiling—that inevitably each arrived at the same place—namely complete control over all essential prices.

Now, eight months after these deliberations took place, the United States has not only followed suit but has publicly paid tribute to Canada's courage and foresight in taking this step.

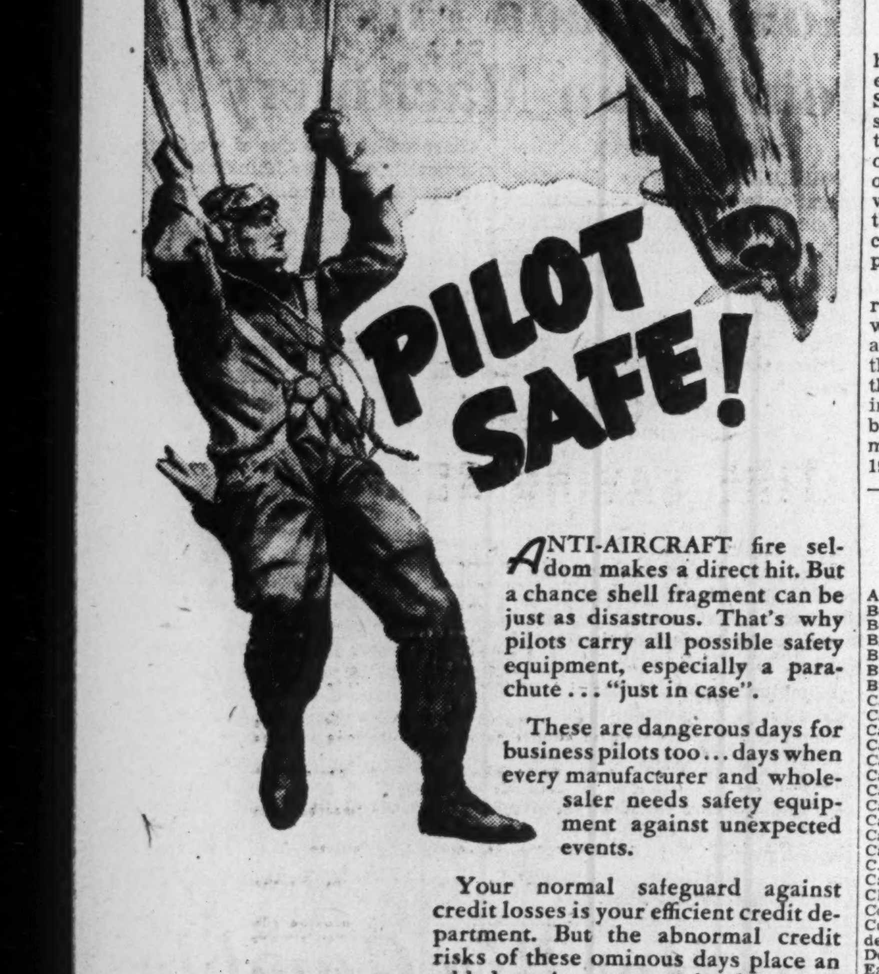
True, the U. S. legislation falls far short, as yet, of the five-point "blitz" which Canada has made effective since last October.

There is as yet no wage or salary ceiling in the U. S.; the U. S. price ceiling omits many items which Canada included.

Nevertheless the imposition of the overall price ceiling has unquestionably lifted a tremendous load from the shoulders of Canada's price control authorities.

It has justified the view of those who believed Canada should and could gamble on eventual U. S. participation and limitation.

Eastern Theatres has elected R. W. Bolstad, formerly vice-president and treasurer, as president. He succeeds J. J. Fitzgibbons, who has resigned from the board due to other duties. N. G. Barrow was appointed vice-president and will continue as secretary while A. MacCunn was elected treasurer, succeeding Mr. Bolstad. J. J. Taylor was added to the board to fill a vacancy caused by Mr. Fitzgibbons' resignation.



ANTI-AIRCRAFT fire seldom makes a direct hit. But a chance shell fragment can be just as disastrous. That's why pilots carry all possible safety equipment, especially a parachute . . . "just in case".

These are dangerous days for business pilots too . . . days when every manufacturer and wholesaler needs safety equipment against unexpected events.

Your normal safeguard against credit losses is your efficient credit department. But the abnormal credit risks of these ominous days place an added strain on even the finest and best-equipped credit departments. The War is causing changes overnight . . . changes which may seriously affect your business . . . or the business of your customers . . . which may cause severe credit losses.

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An AMERICAN CREDIT policy is the strategic defence employed by thousands of manufacturers and wholesalers to protect working capital and profits against unforeseen credit losses. AMERICAN CREDIT guarantees payment of accounts receivable . . . guarantees reimbursement for losses caused by the insolvency of customers.

J. F. McFadden,
President

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Township of Pickering, Ont.	Apr.	Locally	4%	10-ins.	$3,000	103.33	3.30%
Sherbrooke, P.Q.	Apr.	Banque Can. Nationale, Savard, Hodgson & Co., Wood, Gundy & Co.	3½%	20-yrs.	250,000	101.28	.....

This Week The Financial Post Asks

"In view of decisive 'no' vote in Quebec, would it be wise to exempt its residents from overseas conscription"

John Bird

Editor, Winnipeg Tribune, Winnipeg, Man.

No. This would only widen the gap and create resentment between English and French Canada. One great reason for conscription is the fundamental unfairness of the inequalities of sacrifice existing under the voluntary system.

The greatest omission of the King government has been the failure to explain the real nature of war and "sell" the need of total war to all sections of the Canadian people including Anglo-Saxon. Ottawa leadership has been unimaginative and public information unbelievably dull and uninspiring with the exception of the National Film Board's efforts.

I suggest the government start all over again to "sell" the war to all Canada including certain backward cabinet members as well as Quebec province.

* * *

J. W. Carson

Grand Master, Grand Orange Lodge, Ontario West.

We must win the war. Canada must do her part in an all out total war contribution.

Conscription is fair to all. We must go and meet the enemy, not wait until he lands in Quebec. There should be no special privilege for any group or any province. All should share in the great effort to preserve freedom and civilization. After all, this Dominion is part of the great British Empire. Surely the people have shown by their recent overwhelming "Yes" vote that they want the government to get in action and do everything possible to hasten the day when victory will be ours and peace will again reign supreme.

* * *

Allan Roy Dafoe, O.B.E., M.D.,

Famous "Quintuplets" doctor of Callander, Ontario.

No. We are all Canadians, the majority has spoken and our duty is clear. Sir Wilfred Laurier accepted the mandate of the people in the last war. That example ought to be good enough for all of us whether we are French Canadian or not. To exempt Quebec from conscription at a time like this would sabotage our national unity completely. But Hitler would love it.

* * *

Aime Geoffrion, K.C.

Montreal, widely recognized throughout Canada as an authority on constitutional law; has represented Dominion government several times before Privy Council.

If and when conscription is deemed necessary by the proper authorities it should be imposed on the whole country.

* * *

Hon. W. D. Herridge

Ottawa, former leader of New Democracy party, former Canadian minister to Washington, corporation lawyer.

The nature of the vote in Quebec has nothing to do with the matter. The majority vote in Canada is "yes." Accordingly, parliament is obliged to proclaim conscription for overseas. All Canadians must be subject to the same law. We dare not permit two standards of citizenship in Canada.

I believe great leadership could swing Quebec into compliance with the will of the majority. Party government can never give that kind of leadership. Therefore the only practical solution to this problem is a true national government of our best minds. The formation of national government should precede parliamentary action on conscription.

* * *

Chas. R. Harrison

Mayor of North Bay, Ont.

Certainly not.

Quebec is part of Canada. This nation has overwhelmingly indicated its opinion demanding an all-out war effort. If any minority now attempts to avoid this, its national obligation and privilege, in our time of crisis, it should be stripped of all other rights of citizenship and stand unmasked before the world.

* * *

W. S. Harris

Editor, the News, Vernon, B.C.

Canada as a nation endorsed the release of Mackenzie King's government from its pledge of no conscription for overseas service. In a democracy the majority rules and minorities accept this authority.

To apply conscription in eight provinces would set a most dangerous precedent. Any form of conscription which would not apply equally in all parts of Canada would set the people in eight provinces definitely against the other province and would in the end have a more dangerous result than would have an intelligent application of one rule for all Canadians.

* * *

Rev. L. B. Henn

St. Paul's United Church, Assiniboia, Sask.

My answer is an emphatic No. Canada has given the go ahead signal to its government. Let's get on with the war. Why waste time any longer questioning this and that. The democracy we are fighting for stands for equal rights for all, special privileges for none. To give exemption to citizens of any province would not only be unwise, it would be unfair and unjust to other provinces.

* * *

Jean Charles Harvey

Director of Le Jour, French language paper of opinion, published in Montreal, and prominent in the work of interpreting French-speaking to English-speaking Canada.

French speaking Canadians must not, under any consideration, be placed in the same rank with Iroquois of Caughnawaga or Hurons from Lorette, Quebec. Canadian citizenship is not restricted to one race, but is the privilege of all the races composing the entire nation.

All the citizens of this country without distinction are entitled to the same privileges, rights and duties. When the nation is endangered all and each of them must do their part to defend it and save it. Any citizen refusing to accomplish such a sacred duty must be deprived of his rights, even if he is of French origin.

The vote given last Monday expresses the wish of the nation which is "one and indivisible." Trying to exclude the Province of Quebec from the military duties required by circumstances would be the equivalent of the abrogation of the Confederation pact and the abandonment of a beautiful dream: creation in North America of one of the richest and happiest countries of the world.

The great majority of French-speaking Canadians are willing to serve providing they are given a sound guidance. As to the small minority which attempted to direct our people into gestures of treason, it is the duty of the constituted authority to silence them. A good purge is much better than civil war.

Long live Canada!

* * *

W. F. Nickle, K.C.

Kingston, Ont., prominent in Canadian legal circles and former Ontario Attorney-General.

While I know the difficulties with which the government had to contend in attempting to effect compulsory military service during the Great War, and the far from satisfactory results, yet I cannot bring myself to believe that my fellow-citizens of the province of Quebec, and their far-sighted leaders, would permit them to accept the ignoble position of isolationists, in defiance of the will of the nation as manifested in the plebiscite. The recognition of such a position would be bound to engender recriminations and antagonisms in the other provinces, the remembrances of which would be to the great disadvantage of the province of Quebec when peace with victory comes.

Minorities are always keen to have their constitutional rights and privileges scrupulously respected, but it is not wise for them to forget that privileges and responsibilities go hand in hand. Let us have Canada-wide education on the tragic seriousness of the situation and its possible results, and the need of an all-out effort from the people of every province. Let us have no discordant minorities anywhere. Develop conviction and you will have enthusiasm in co-operation, and if necessary, in sacrifice.

* * *

Gladstone W. Perry

Upper Kent, N.B., and member of New Brunswick legislature for Carleton.

Under our democratic form of government the majority must rule. It would be just as reasonable for the Conservative party to ask exemption from the laws and regulations of the government because we voted against it as it would be for Quebec to expect the other eight provinces to do her share of defending Canada and her Allies. Quebec must do her share.

* * *

Wm. H. Price, K.C.

Well known in Toronto legal circles and former Ontario Attorney General.

All citizens of Canada should have equal treatment. As a veteran of the last war, and with relatives overseas now, I see no sound reason why one portion of Canada should sacrifice itself continuously to save those who are not prepared to do likewise. Wealth, earnings and manpower should be used selectively to enable Canada to make an all out effort.

Why should any part of Canada be exempted from this duty? Should the majority always be asked to make the greater sacrifice and carry an extra load? We have representation by population. We had a vote. Let the majority rule.

* * *

Jean D'Auteuil Richard

Editor, Les Relations, Montreal, French language monthly dealing with questions of social reform.

No; it would be impractical and unwise. Quebec voted no on a national, not a provincial issue, and was supported by half a million outsiders.

French-Canada, following a traditional Canada-first policy, opposes any Canadian from any province being sent overseas otherwise than voluntarily, just as Australia does. A majority vote does not annul a pledge made by a majority partner to a minority partner in participation of a non-conscription agreement at the outbreak of war.

Overseas conscription, especially if Quebec is excluded, would not add substantially to voluntary man-power contribution. Or, if actively pressed, would jeopardize technically and politically Canada's indispensable war effort on the industrial, agricultural and home-defense fronts, which according to authoritative statements and statistics compare favorably with that of Allied Nations.

* * *

Arthur Rogers

Editor, Kincardine News, Kincardine, Ont.

While Quebec has voted decidedly in the negative against releasing the government from its "no conscription" pledge, the rest of Canada has given an even greater affirmative answer. In a democratic country the majority must rule.

In the past Quebec has shared in the benefits accrued from democracy so she should also share with the rest of Canada in the sacrifices which wartime conscription must entail. Otherwise everyone who voted "no" has an equal right to exemption from conscription.

* * *

Bruce Robb

Editor, Moncton Transcript, Moncton, N.B.

It would be an insult to Quebec to exempt its residents if overseas conscription were applied elsewhere in Canada. Democracy can survive only through majority rule and there is no evidence that Quebec takes any other view.

Differential treatment for Quebec probably would arouse both there and in other provinces resentment which would be injurious to national unity. All parts of Canada must share equally in obligations and sacrifices required for the defense of the country if the Dominion is to endure.

* * *

W. L. Scott, K.C.

Prominent constitutional and corporation lawyer, Ottawa.

In fairness to residents of the other provinces I do not see how any exemption could be granted to residents of the province of Quebec.

* * *

J. F. H. Teed, K.C.

Well known constitutional and corporation lawyer of Saint John, N.B.

All residents are compelled to give that service considered in the country's best interest despite the objection of the family, relatives and friends of the individual conscripted. Probably in every province, certainly in New Brunswick, a very large majority of the voters in some polling areas voted "No" although a large majority of the total voters of every province except Quebec voted "Yes."

I consider it unwise for Quebec to be exempted from overseas conscription. Although the largest province, it is only one of many geographical areas where the majority of voters object although the majority of the total country's voters approve. No area large or small should be exempted. Any such exemption is unfair to and would antagonize all the other areas.

Paper Unions Ask Rationalization

From Our Own Correspondent

MONTREAL. — Co-operation of papermakers in an effort to distribute production among Canadian mills will be sought by Labor Minister Mitchell following representations made by union representatives of the pulp, sulphide and paper workers and the International Brotherhood of Papermakers.

According to union representatives some mills were working seven days a week on fine papers, while other mills were only in operation three or four days a week. They suggested that some mills should be converted to finer grades to distribute production more evenly. A proposal was also made that in localities where paper mills and direct war industries are located, men who are on short time in paper mills might be used on off days in the war plants.

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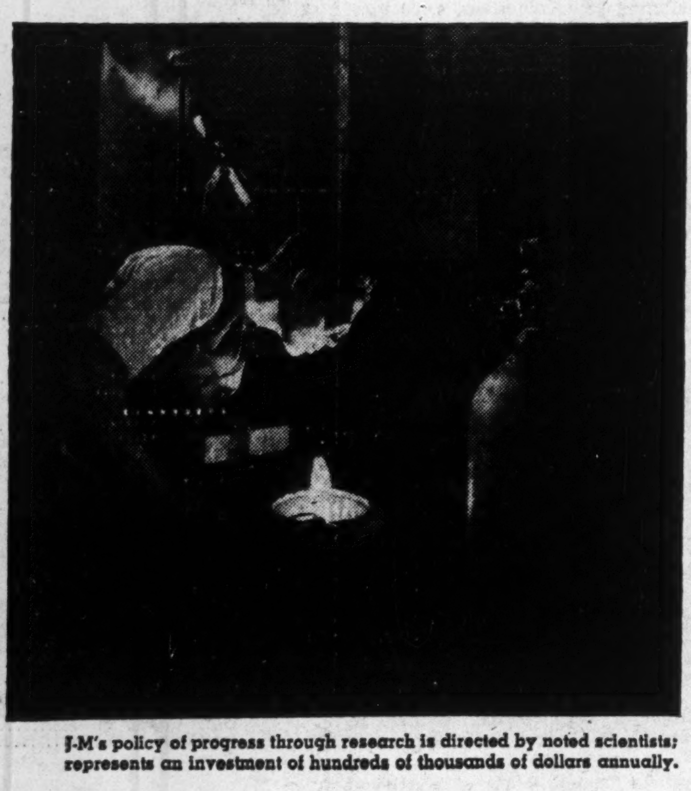
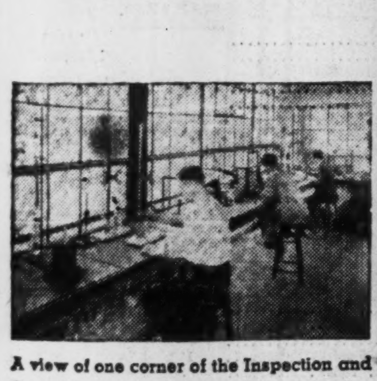
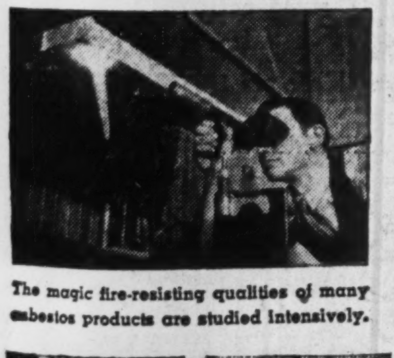


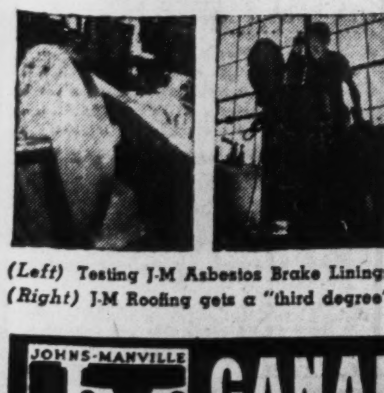
J-M's policy of progress through research is directed by noted scientists; represents an investment of hundreds of thousands of dollars annually.



A view of one corner of the Inspection and Control Laboratory operated in connection with the J-M factory at Asbestos, Que.

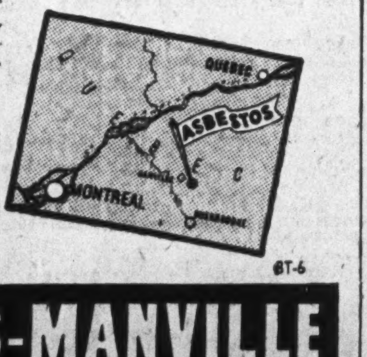


The magic fire-resisting qualities of many asbestos products are studied intensively.



(Left) Testing J-M Asbestos Brake Linings.
(Right) J-M Roofing gets a "third degree".

● When Marco Polo first saw asbestos in Tartary centuries ago, he called it "the magic mineral". And today, looking at the hundreds of products developed as the result of Johns-Manville asbestos research, you'd agree with the famed Venetian traveller. J-M's Research Laboratories are the largest of their kind anywhere, which is only natural when you remember that J-M operates the largest asbestos mine in the world, at Asbestos, Que. More than 50% of Johns-Manville's output last year were products which have been developed by Johns-Manville Research since 1928.



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BT-6

JOHNS-MANVILLE JM PRODUCTS

CANADIAN JOHNS-MANVILLE

• J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR [illegible]

A PRACTICAL TIRE SAVING PLAN FOR EVERY MOTORIST

IRRESPECTIVE OF THE MAKE OF YOUR TIRES

The Dunlop Tire Saving Plan involves no contracts, no long-term or other obligations, and no urging to purchase any service other than what you strictly require. It offers no priority rating to users except on service and strictly within government war regulations. Every Dunlop dealer has committed himself to help Canada's War Effort by absolute adherence to the law. No patriotic motorist would want a dealer to do otherwise.

But the Dunlop Plan does mean that you will serve Canada better by making your tires last longer . . . that you will get more mileage than you ever enjoyed before from your tires . . . and that this service will give you increased driving safety every mile you travel.

First Instituted in August, 1941

Nine months ago, Dunlop-Canada presented, for the first time in Canada, a wartime tire saving service dedicated to the conservation of one of the most precious assets in the world today . . . RUBBER.

That Tire Saving Service is still benefiting many Canadians and is still available . . . not only to Dunlop users BUT TO ALL MOTORISTS, IRRESPECTIVE OF THE MAKE OF TIRES ON THEIR CARS.

No Needless or Unnecessary Expense
Work Done Only When Required

Remember, under the Dunlop Tire Saving Plan, no unnecessary work is advised or undertaken; it is an intelligent Tire Saving Plan under which work is done only where it is needed and all such work is performed on A MINIMUM COST BASIS. In other words, the motorist pays only where actual service is necessary *and then pays a minimum charge*. The Dunlop Tire Saving Service, too, is fair to all. Careful drivers under this plan naturally pay less than careless drivers. Those driving long mileages should pay for more necessary services or repairs as the case may be. We feel this is more beneficial to the greater number of motorists rather than by averaging the same cost among all. The careful driver is not being penalized and made to pay for the abusive driver or the one who is able, even under restrictions, to drive long mileages over hard roads.

MAKE YOUR TIRES LAST LONGER AND BRING VICTORY NEARER
DUNLOP
TIRE AND RUBBER GOODS COMPANY, LIMITED
A1456
This Card Entitles Bearer To Preferred Service Under The
DUNLOP TIRE SAVING PLAN

DUNLOP DEALERS
7-POINT
TIRE SAVING SERVICE

(You will be given a Preferred Service Card entitling you to special call on your Dunlop Dealer's time and service facilities. No dealer will issue more cards than he can service efficiently.)

1. INTERNAL AND EXTERNAL TIRE INSPECTION—The Dunlop dealer will remove all tires and thoroughly inspect them inside for the presence of small cuts or bruises. He will also examine them outside and remove nails, glass and gravel. He will advise you of any signs of faulty wheel alignment or wrongly adjusted brakes. (Tire repairs where necessary will be made at low current charges.)
2. ROTATION OF TIRES—When replacing your tires the Dunlop dealer will rotate them so as to even wear and prolong the life of your tires.
3. TUBE INSPECTION AND REPAIRS—The Dunlop dealer will completely check tubes for weakness or leaks.
4. RIM SERVICE—Rims will be scraped, painted and treated with graphite if required.
5. TIRE PAINTING—Your tires will be painted as required.
6. VALVE SERVICE—All valve caps and valve cores will be checked and replaced where necessary.
7. SERIAL NUMBERS—The Dunlop dealer will gladly provide you with the serial numbers of your tires, and we suggest you always carry them with you for emergency identification.

Motorists should get tire air pressure checked when purchasing gasoline. (Service stations have most excellent equipment for this.) Normally it is not necessary to lay up your car to have all 7 points done at one time, although all can be quickly completed in one undertaking.

If it is time for internal tire inspection, then all tires must be removed and points 1, 2, 3, 4, 5 and 6 can all be taken care of at the same time.

Only a few dollars are involved in the major points if you have these done. Valve service involves only a few cents for the replacement of valve caps or cores.

Your Dunlop dealer will do only those jobs that are absolutely necessary, and those are the only ones you will be obliged to pay for.

Any Dunlop dealer will estimate and show you how few dollars are involved to have any part or the complete 7 point service done. If you are a long-distance driver and your tires are subject to unusual abuse, we suggest you get the complete service twice a year.

Drive in today to your nearest Dunlop dealer. Ask him for the Dunlop Preferred Service Card and have your first tire check-up under the Dunlop Tire Saving Plan.

MAKE YOUR TIRES LAST LONGER AND BRING VICTORY NEARER

DUNLOP - CANADA

TIRES • BELTING • HOSE • "DUNLOPILLO" FOAMED LATEX CUSHIONING • GOLF BALLS

C.P.R. Policies Continue

Basic Programmes Seen Unchanged by Presidential Shift

No significant changes in company policy are expected to follow the resignation of Sir Edward Beatty as president of the Canadian Pacific Railway and the appointment of D. C. Coleman to that post.

While ill health forced Sir Edward to give up the strain of the executive duties which fell on him as president, he is still chairman of the board of directors, and will continue to have a powerful voice in formulating policies.

Apart from this, he and Mr. Coleman have worked together closely for years and are said to see eye to eye on most matters relating to the railway.

Direction of the company has largely fallen on Mr. Coleman since Sir Edward was taken ill nearly a year ago. The policies for the actual operation of the railway are pretty much those for which he was responsible as senior vice-president.

On questions affecting other phases of the company there is no reason for expecting any change from the principles set out by Sir Edward.

Sir Edward, although his physicians have advised him that it will be necessary for him to lead a less active life if he is to achieve complete recovery, is not relinquishing the long list of offices he holds. His role in Canadian business life is indicated by the following:

CHAIRMAN:
Consolidated Mining & Smelting Co. of Canada, Ltd.,
Canadian Pacific Steamships, Ltd.,
West Kootenay Power & Light Co., Ltd.
PRESIDENT:
Canadian Airways Ltd.,
Boy Scout Association of Canada.
VICE-PRESIDENT AND TRUSTEE:
Royal Victoria Hospital.
DIRECTOR:
Bank of Montreal,
Royal Trust Co.,
Minneapolis, St. Paul & Sault Ste. Marie Railway Co.,
Sun Life Assurance Co. of Canada,
Royal Exchange Assurance Co.,
Waldorf-Astoria Hotel Co.,
Seigniory Club Community Association,
Canadian Industries Ltd.,
Canadian Investment Fund Ltd.
CHANCELLOR:
McGill University.

President At 41

Head of the vast railway empire at the age of 41, he set out to rebuild the resources of the territories its lines served. The encouragement of immigration, and direct tourist traffic from Northern Europe, were included in his plans. In 1923, with other C.P.R. officials, he visited the Scandinavian countries to further this scheme.

Sir Edward, who would have completed 24 years as president next October, guided the company through the depression which followed the last war, and through the longer depression which preceded the present war.

Under his administration, assets of the C.P.R. increased tremendously. Fleets of cargo and passenger carriers were built up on the Atlantic, the Pacific, the Great Lakes. A chain of hotels was extended across the country.

Some idea of the responsibility which fell on Sir Edward may be gathered from the fact that the company operated more than 20,000 miles of track, its own telephone and telegraph systems, controlled 49% of the stock in Consolidated Mining & Smelting, one of the largest mining concerns in the world, and controlled 4.6 million acres of farm and timber land, together with mineral and petroleum rights.

Sir Edward has long advocated merger of Canada's two major railway systems, and would have these both brought under private ownership.

On the question of public ownership, he has expressed the opinion that the function of the government should be to regulate rather than to construct, to control rather than to operate, and to protect the community from abuse by individuals or groups, rather than to take over the work of these individuals or groups.

During his long term as president of the C.P.R. Sir Edward's tact was well demonstrated by the way in which he avoided labor difficulties. He never had a strike to handle. When one threatened, in 1937, it was ended by a compromise he put forward himself.

Beatty Bros. Volume Up

Shift From Peace to War Production Achieved Successfully

Beatty Bros. Ltd. has to date been able to achieve the gradual shift from a peace to a wartime production without undue difficulties, The Financial Post is informed. By virtue of planning well ahead, and aided by the company's well organized purchasing power and fairly substantial inventories of materials, it has been able to continue production of its ordinary lines better than might have been expected.

The result is that production in the year ending August 31 next is likely to show further gains over that of last year.

It is recognized that, as time goes on, increasing restrictions are going to limit the amount of civilian items which the company can turn out. Its export trade has been practically eliminated, due to shipping difficulties and government restrictions.

The company has been able to obtain substantial orders for war equipment of various kinds. It has been making some items since the beginning of the war and has recently obtained a $10 millions contract for some special war work. For the most part it has been able to handle these without necessity of too great changes in its equipment.

Reduced volume of civilian items, such as washing machines, and vacuum cleaners, has meant substantial decreases in the sales organization. In some cases retail stores have been closed because of inability to keep the stores supplied with merchandise.

There has been a compensating reduction in costs, particularly in supervision and accounting. Collections have been good and in some cases reserves set up against receivables have not been found necessary and have been written back into earnings. The company's liquid position is better than at any previous time in its history, but there seems a possibility that requirements for large war contracts will make necessary conservation of these resources.

Gatineau Pwr. Revenues Hold

Breakdown of Returns For 1941 Shows Hydro as Main Income Source

From Our Own Correspondent

MONTREAL.—Breakdown of the operating and other income of Gatineau Power Co. for 1941 shows no major changes from that reported a year ago. The overall revenue last year at $10 millions was approximately $225,000 greater than the year before, the greater part of the gain being recorded in sales to other electric systems.

	1941 $	1940 $
Operating revenue:		
Ontario Hydro	4,255,171	4,244,695
Other systems	766,346	699,621
Other sales	3,717,969	3,712,952
Retail sales, etc.	874,871	815,556
Munic. lighting	59,317	57,298
Trans. revenue	94,964	75,417
Total oper. revenue	9,768,638	9,585,539
Other income:		
Interest income	35,345	10,652
Dividend income	131,815	109,450
Profit merch. sales	30,517	29,997
Rental of misc. prop.	14,619	17,587
Miscellaneous	23,793	*25,797
Total other income	236,089	193,483
Total revenue	10,004,727	9,779,022

Montreal Limits Bus Services

From Our Own Correspondent

MONTREAL. — Bus service on Montreal streets which parallel others on which tram car service is operated may be further curtailed, according to R. N. Watt, president of Montreal Tramways Co. "The policy of the company for a number of years has been limited to replacing tramway lines in outlying districts by a bus service, but in principal city districts tramway lines have been fully maintained," he said.

Important shifts in population have occurred, said Mr. Watt, and thousands of workmen are obliged to travel considerable distances to and from their work.

Market Opinions

With final decision on U. S. taxes for 1942 coming closer, students of stock markets regard the settling of a major cause of uncertainty as coming nearer.

Barron's, N. Y. (The Dow Theorist)—Advance in the Dow-Jones industrial since April 25 and railroad averages since April 24, is only a minor rally so far. It may turn out to be merely an interruption in the downtrend which has been under way since last summer, or it may represent the first stirring of a bull market. If it is the latter, it will first develop into a secondary uptrend a movement lasting three weeks to three months during which "the average of one high point exceeds that of previous high points." The nature of such an advance would not become identifiable until it had been under way for some little time.

* * *

Barron's, N. Y. (The Trader)—Decline of the past nine months, amounting to roughly 33 points for the industrial share average has represented apprehension over the effect upon business and individual incomes of war and taxes. Extent and duration of the discounting process has clearly been great. Now that the worst has been proferred by the administration and rejected by Congress, the time must be close at hand for a reversal of a market trend of over 2½ years' standing.

* * *

Magazine of Wall Street, N.Y.—The President's inflation-control message has left the investors and speculators pretty much "as you were." We think the market is fairly close to a recovery period but the technical evidence is still negative.

* * *

Financial World, N. Y.—It does appear that, by and large, the domestic uncertainties have been quite realistically appraised by the 36-point drop in the industrial average from its high of last year. As previously stated, the ground-work for a bull market will not be laid until the details of the new tax bill are definitely known. But in the meantime, the general run of stocks should not go a great deal further on the downside than their recently established lows.

Investment Notes

George Weston Ltd. shareholders were told at the annual meeting by J. A. Gairdner, chairman of the board, that "a better year seems to be in progress." He emphasized that war regulations and control of raw materials may change the position rapidly, but feels that the company's diversified products leave it equipped to adjust operations to suit circumstances. Many of the restrictions, although trying at the time, are bringing elimination of unsound practices in the industry which he hopes will stay eliminated for many years to come.

* * *

United Securities — A protective committee has been set up for holders of the collateral trust bonds of United Securities Ltd. The committee comprises Aristide Cousineau, president of Rene T. Leclerc Inc.; R. E. Haldenby, manager, Dominion Securities Corp., and Rene Morin, general manager of General Trust of Canada, all of Montreal.

Formation of the committee follows the announcement that the company will be unable to meet bond interest and sinking fund payments due May 1 on outstanding bonds of series A and B.

* * *

International Bronze Powders' annual meeting was largely a routine affair. M. A. Thomson, vice-president and general manager of Nesbitt, Thomson & Co., was added to the board of directors and the reports for last year approved.

* * *

Borden Company sales during the first three months of 1942 were well maintained, T. G. Montague, president, told shareholders at the recent annual meeting. Officials are hopeful of continuing the current rate of dividends on the company's common shares. Earnings before taxes were about 15 to 20% ahead of last year in the first two months, but what net profits would be is impossible to estimate at present because of tax uncertainties.

* * *

Canada Malting's business has been maintained at about last year's level to April 15 this year, Arnold C. Matthews, president, told shareholders at the annual meeting. Capacity operations are expected for the remainder of 1942. Increasing difficulty may be experienced later in the year from wartime restrictions although price ceilings have caused relatively small amount of trouble as yet. Application for a subsidy on a minor item made by the company has been refused by the Commodity Prices Stabilization Corp. and an adjustment made with customers reducing profit margin.

Power Output Hits New Peak

Daily Average in March Sets All-time Record for Industry

From Our Own Correspondent

MONTREAL.—Helped by excellent water condition, Canada's central electric stations generated 3,221 million kw.h. in March as compared with 2,632 million kw.h. in the same month last year and the all-time peak of 3,226 million kw.h. established in January this year.

On a daily average basis the production of firm power in March at 88.4 million kw.h. was the largest ever reported by the industry.

Both in respect to production and consumption of firm power, each province recorded larger returns in March, 1942, than in the same month last year. Quebec, Ontario, Manitoba, Alberta and British Columbia, in particular, registered large gains.

March
(In millions of kilowatt hours)

	Total Output 1942	Total Output 1941	Consumption Firm Power 1942	Consumption Firm Power 1941
P. E. I.	.7	.6	.7	.6
N. S.	42.8	38.6	42.5	38.6
N. B.	42.6	30.3	39.4	28.1
Que.	1,776.0	1,374.2	1,241.8	929.6
Ont.	906.2	806.0	1,006.4	844.0
Man.	147.2	117.2	95.2	89.0
Sask.	54.2	48.8	54.2	48.8
Alta.	30.9	23.5	35.8	25.5
B. C.	229.8	192.3	224.6	190.0
Total	3,220.9	2,631.8	2,740.8	2,194.3

Ahead of 1941

For the first quarter of 1942 production totalled 9,311.6 million kw.h. This was substantially above the figure for the like period of 1941. Consumption of firm power kept pace with the increase in output, reflecting the increase in demand of war industries, especially in the Central Canadian area.

Three Months Ended March
(In millions of kilowatt hours)

	Total Output 1942	Total Output 1941	Consumption Firm Power 1942	Consumption Firm Power 1941
P. E. I.	2.6	2.2	2.6	2.2
N. S.	130.0	115.3	129.9	115.3
N. B.	125.2	108.2	121.8	103.9
Que.	5,062.2	3,970.2	4,779.7	3,577.3
Ont.	2,624.8	2,369.6	2,094.5	1,925.8
Man.	451.5	344.4	285.4	254.6
Sask.	161.2	144.4	161.2	144.4
Alta.	94.3	73.5	94.2	73.5
B. C.	659.8	545.8	656.7	545.0
Total	9,311.6	7,673.6	8,328.1	6,742.1

Exports at Peak

Exports to the United States in March increased to 216.1 million kw.h., the highest monthly export on record. An important factor in this heavy export was the export of 94.3 million kw.h. of secondary or off-peak power. Increased diversion of water to Niagara plants for power purposes also made this export possible. Off-peak power produced for use in Canada amounted to 264 million kw.h. as compared with 235.8 million kw.h. in March, 1941.

Steamers Off To Good Start

Net Gain in Earnings of $200,000 For First Quarter of 1942

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines operations for the current year to the middle of April resulted in an improvement of about $200,000 over the like period of 1941, according to W. H. Coverdale, president, at the annual meeting.

Normally in the first quarter of the year the company operates at a small deficit. It had a deficit of some $32,000 for the first quarter a year ago. This year, said Mr. Coverdale, operations have resulted in black figures to the extent of about $175,000, or a net improvement of over $200,000.

Speaking of the outlook, the president said little further improvement could be looked for in shipping revenues, since the fleet had operated at capacity in 1941 and rates are now fixed. On the other hand, he added, quite considerable improvement could be expected in operating results of subsidiary companies, especially Davie Shipbuilding. On the whole, he concluded, 1942 results may be somewhat better than in 1941, best in company history.

Claude W. Lockard Is Sales Manager

Claude W. Lockard has been made sales manager of International Harvester Co. of Canada Ltd.

C. W. LOCKARD

He began his service with the company in 1913 as a salesman at Brandon and served the company at Lethbridge and Edmonton prior to his transfer in 1934 to Chicago as assistant sales manager.

Mr. Lockard was born 1886 in Kansas, where his father at one time held a contract from W. F. Cody (Buffalo Bill) for carrying mail between North Platte, Nebraska and Wakeeney, Kansas. The father later became a merchant and held various public offices, including that of State Senator.

Mr. Lockard married a Virginian, has two children both born in Canada and became a Canadian citizen in 1920.

Trends

IN INVESTMENT

Two major groups of stocks have not been doing any too well recently. Shares of Quebec utilities suffer loss of confidence from indications of more drastic moves by the province to take over companies at present privately owned. This situation is far from clear yet but, the consensus appears to be that utility operators in Quebec are in for a difficult time although immediate action to implement proposed Quebec legislation seems unlikely.

Then there are the newsprint shares, long a favorite speculative medium for Canadians. Holders of these shares who are concerned over their holdings can get a much clarified picture from a feature story on another page in The Financial Post.

* * *

Tentative tax programme adopted by the Ways and Means Committee of the United States House of Representatives recommends a substantial increase in corporation taxes although not going so far as the Treasury Department's plan. But the effective regular tax rate, plus surtax, according to these recommendations, is to be 40% in place of 30% as at present. Then the excess profits tax levy would be raised to 94% in place of the present graduated scale ranging from 35% to 50%.

This may not be the plan finally adopted but it indicates the trend toward higher corporation taxes. Canada now applies a basic rate of 40% and an excess profits tax of 75% but direct comparison between the two plans is hardly as simple as this would indicate.

* * *

Latest household appliances to suffer further restrictions have been washing machines, either power or hand operated and having metal tubs. No more of these can be made after April 30 except on order of the government. Manufacture of hand washing machines with wooden tubs is not affected beyond steps taken in a previous order.

This move steps further into the fields of such companies as Easy Washing Machine Co., Beatty Bros. as well as the larger electrical appliance companies such as Canadian General Electric and Canadian Westinghouse. For the larger units with diversified production, the latest restriction is not nearly so serious as it is for smaller companies which depend primarily on this line. Their future depends upon ability to obtain war business or develop other lines in which most of them have been more successful than might have been expected at first.

Southern Canada Power Net Up

Shows Larger Surplus After Dividends for Past Half Year

From Our Own Correspondent

MONTREAL.—Financial returns of Southern Canada Power Co., for the six months of the current fiscal year ended March, 1942, show an all-round improvement over that for the like period of the preceding fiscal year.

Gross income advanced nearly 10% to $1.6 million. Part of the gain was absorbed in higher operating expenses and provision for taxes, but net earnings at $725,237 were $39,483 greater than in the preceding year.

Show Larger Surplus

For the first six months of the current fiscal year there was a surplus of $25,773 after interest, depreciation and dividends. This contrasted with $1,018 for the six months ended March, 1941.

Comparative figures on earnings for the quarter ending March, 1942 and 1941, as well as for the six months' period, follow:

3 Months Ended March 31	1941	1940
Gross earnings	$262,046	$238,875
Oper. expenses	83,239	70,067
Taxes	61,470	57,920
Net earnings	117,337	110,887
Interest, deprec. & dividends	116,015	113,676
Surplus	1,322	*2,789
6 Months Ended March 31	**1941**	**1940**
Gross earnings	$1,606,048	$1,458,942
Oper. expenses	497,979	415,851
Taxes	382,832	357,337
Net earnings	725,237	685,754
Interest, deprec. & dividends	699,464	684,736
Surplus	25,773	1,018

New Group to Expand Cemented Carbide Tools

By ERIC CRAWFORD
Editor, Canadian Machinery

Director-General of Cutting Tools Roy T. Wise, through Assistant Machine Tools Controller E. V. Larson has set up a Cemented Carbide Advisory Committee, in which Canadian carbide manufacturers and representatives of the Machine Tool Controller's Department are co-operating in this necessary work of broadening this means of saving the alloying metals for uses where substitutes cannot be adapted.

Men appointed by co-operating manufacturers, will be entrusted with the work of studying possible applications, and will have at their disposal the advice of the committee.

Mr. Wise has done notable work in showing operators how to get more work out of the machines they have, and in releasing machines for other work. He has been described by one of the top officials of the Department of Munitions and Supply as "one of the greatest cutting tool engineers on the North American continent."

Assisting Mr. Wise on the committee are W. A. Milburn, Dept. of M. & S.; C. Neal, Canadian General Electric, Toronto; G. D. Morrison, Kennametal Tool and Mfg., Hamilton; W. T. Muirhead, A. C. Wickman (Canada) Ltd., Toronto; secretary is L. B. Manning, 214 King St. W., Toronto.

Tungsten shares the fate of rubber in being virtually cut off from North America. We have to complete this war with our stock pile as it now stands.

Cutting tools are the heaviest users of tungsten, and without them war production would be a sorry picture. There is one way in which the supply of tungsten may be multiplied by important proportions, and that is by the use of cemented carbides. It is estimated that on some applications a pound of tungsten in the form of carbides will remove as much metal as 75 pounds of tungsten when used in the form of high speed steel.

Intensive studies in recent years have shown exactly the speeds and speed-feed ratios under which these tools can do their best. They have proved how, on correct installations, output could be increased from a given machine. This in turn can well be the means of making more machine tools available for other work.

With proper tool mounting, carbides are at work on many jobs formerly thought impossible.

Experience has shown that on cast iron or brass, with a normal amount of machining involved the overall saving in time is comfortably over 25%. Thus in a group of machines on work of this class, 25 out of every 100 would be released.

Prices have been reduced simultaneously with improvement in methods of manufacture. In fact, they enjoy the unusual distinction of having been reduced in price, even under war conditions, a few weeks ago.

T.C.A. Opposed To Competition

Symington Says Branch Lines Only Should Go to Private Interests

From Our Own Correspondent

MONTREAL. — Continuance of the government's policy of restricting private enterprise in Canadian airlines to branch lines not up to the standard of main line service was urged by H. J. Symington, the president of Trans-Canada Airlines, before the Railway and Shipping Committee in the House of Commons. At the same time he admitted these branch lines might eventually prove the most profitable field.

Trans-Canada Airlines was established under a policy which calls for a high main line standard on all services. The government spent large sums on facilities and made the service possible by a post-office contract.

"To my mind, unless you want to repeat the railway situation, that policy should be continued," Mr. Symington said.

Mostly War Traffic

At present Trans-Canada Airlines passenger traffic was 80% on account of war work, said Mr. Symington, who added that Canada would hold an important place in post-war aviation.

Six planes now are on order for T. C. A. in the United States. When delivery is made a new service to Alaska will be instituted.

Postwar plans include operation of four-motor planes and the straightening of the Toronto-Winnipeg route by way of Sault Ste. Marie and Fort William, Mr. Symington said.

Howe Gives Support

In support of Mr. Symington the Hon. C. D. Howe said there could be no competitive situation unless Parliament revised the Trans-Canada Act, which protects T. C. A. from competing services.

"I do not think Parliament will ever be disposed to modify it," he said. "I do not see why they should. This franchise is owned by the people in Canada. While they might abrogate the Act to let private enterprise in, I do not think they will."

C.N.R. Budgets For Surplus

Look for 1942 Revenue to Exceed $350 Millions and Surplus $5 Millions

From Our Own Correspondent

MONTREAL.—Canadian National Railways estimates a net cash surplus of $5 millions on its operations in 1942.

Total operating revenues this year are estimated in the system's budget, tabled in the House, at $352 millions. This compares with $304.8 millions last year. Railway operating expenses are put at $281 millions compared with $237.7 millions in 1941.

This will leave a net revenue from railway operations of $71 millions which after an allowance of $14.1 millions for other income and profit and loss accounts, makes $56.9 millions available for interest compared with over $54.3 millions last year. Interest charges for the current year are placed at $51.9 millions compared with $50.3 millions in 1941.

Buying More Equipment

Capital expenditures estimated for 1942, as set out in the budget, include $16.2 millions for general additions and betterments. Among the proposed purchases will be 81 second hand all steel passenger cars for the Canadian National Railways and 200 box cars from the Grand Trunk Western Railroad Co. at a total cost of $3.2 millions.

Under a hire purchase agreement with the government, under which payments will be spread over a number of years starting in 1943, nearly $25.2 millions is proposed to be spent on other C.N.R. equipment including 25 locomotives, 4,000 box cars, 100 overhead refrigerator cars, 250 triple-hopper bottom cars and 10 baggage cars.

Equipment retirements are placed at a little over $2 millions and the amount available from reserve for depreciation and debt discount amortization $8.2 millions, leaving total capital expenditures for the year of $34.3 millions compared with $41.9 millions in 1941.

Buy in Securities

The budget provides over $3.4 millions for acquisition of securities, nearly all of which is for redemption of the Edmonton and British Columbia Railway 4% debenture stock due February 16, 1942.

An amount of $1¼ millions is allowed for purchase of the balance of the capital stock of Trans-Canada Air Lines. Of the $5 millions purchased, $3¾ millions have already been acquired.

Emory Elected Head London-Canadian Corp.

Arthur D. Emory has been elected president of London-Canadian Investment Corp., succeeding the late Sir Herbert S. Holt. J. H. Gundy was re-elected vice-president.

At the annual meeting two new directors were elected: Wilbert H. Howard, K.C., and N. K. Gordon.

West Kootenay Power Expands

Rushing Work on Power Development to Meet Parent Firm's Needs

From Our Own Correspondent

MONTREAL. — West Kootenay Power Co., wholly-owned subsidiary of Consolidated Mining and Smelting Company of Canada, is rushing work on the new power plant at Brilliant.

The development will be for four units of 35,000 h.p. each. Two of the generators will be installed as soon as possible, giving an additonal capacity of 70,000 h.p.

While construction may be delayed, through priority rulings, it was reported that if a sufficiently good priority rating can be obtained, the first units of the plant may be in operation within two years.

At the annual meeting of Smelters it was stated lack of sufficient power prevented Consolidated from establishing a magnesium plant which would use the magnesite from the Marysville deposits owned by the company.

In connection with the development at Brilliant, the Dominion government has made a tax concession in order to facilitate the rapid construction of the plant.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Feed and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	106.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
1942: Weekly Figures:												
Apr. 2	69.9	65.3	69.3	41.3	103.2	72.6	93.2	75.0	61.6	88.9	67.2	62.0
Apr. 9	69.4	65.3	69.6	42.1	100.9	73.4	94.7	75.1	61.6	88.9	67.6	62.0
Apr. 16	70.4	63.2	69.6	41.0	101.6	72.5	93.1	72.8	60.0	88.7	65.9	60.6
Apr. 23	71.3	62.7	69.6	41.1	103.1	75.5	92.8	73.9	59.6	88.6	66.0	61.0
Apr. 30	71.4	61.4	69.6	41.2	103.8	75.4	91.9	73.6	59.4	87.5	65.7	60.7

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 5	80.71	61.93	62.15	16.00
May 4	80.67	62.24	62.10	16.05
May 2	80.42	62.26	62.19	16.16
May 1	80.16	61.40	62.12	16.16
Apr. 30	80.07	62.34	61.95	16.12
Apr. 29	79.89	62.22	61.68	16.08
Month ago	81.91	65.49	63.56	16.31
Year ago	88.13	96.45	80.50	17.73
High 1942	93.50	83.71	71.01	18.86
Low 1942	72.85	61.04	61.29	16.00

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cnd.	10 Pprs.	15 Golds
May 5	39.8	55.2	50.1	57.72	39.07
May 4	39.8	55.0	50.0	57.39	39.00
May 2	39.7	55.2	50.1	57.44	38.67
May 1	39.8	56.2	50.1	57.44	38.67
Apr. 30	39.7	55.4	50.2	57.66	38.33
Apr. 29	39.8	55.4	50.2	57.84	37.65
Month ago	41.9	56.7	51.8	65.46	40.08
Year ago	43.9	52.6	49.7	61.52	73.85
High 1942	43.6	60.5	54.7	77.18	54.62
Low 1942	39.6	55.0	50.0	57.44	36.94

When This War Ends

Those who economize, save and invest in Victory Bonds now, will be much better able to face the period of reconstruction after the war.

Meantime, they will render a most necessary service to the Nation.

Economize—save—invest in Victory Bonds.

We shall be glad to fill your order. Write or telephone.

36 King Street West
Toronto
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

Asbestos Corp. Makes Changes in Staff

Asbestos Corp., Ltd., Thetford Mines, Que., announces the following staff promotions:

LT.-COL. JAMES G. ROSS, for the past 13 years manager has been appointed general manager;

GEORGE DICK, general superintendent since 1937 becomes manager;

ALFRED L. PENHALE, sales manager since 1937 becomes manager; retary;

WILLIAM COOLING, chief accountant for the past 12 years, appointed acting treasurer;

E. L. RAINBOTH, who has been chief engineer, becomes general superintendent;

J. A. MARCOTTE, since 1937 sales director, becomes general sales manager;

P. PAYEUR, formerly paymaster, has been appointed chief accountant;

GERARD COUTURE, has been promoted to paymaster.

MANUFACTURERS
Are Your Selling Costs Too High?
If your line is sold to hardware or industrial trades we can handle one more line. Correspondence invited in confidence by responsible Toronto sales agency with salaried salesmen. Box 2, The Financial Post, Toronto.

FINANCIAL STATEMENT AND DIRECTORS' REPORT

Western Grocers Limited

At the Annual General Meeting of the Shareholders of Western Grocers Limited, held at the Head Office of the Company, the Directors' Report, Balance Sheet, Statements of Profit and Surplus and the Auditors' Report for the year ended December 31st, 1941, were presented and adopted.

The Directors, W. P. Riley, W. H. McWilliams, H. W. Hutchinson, F. O. Fowler, and R. C. Riley were re-elected, and at a meeting of the Board following the Shareholders' Meeting, the officers of the Company were re-elected.

The Directors' Report follows:

REPORT TO SHAREHOLDERS

Your Directors present herein the Twenty-ninth Annual Report for the fiscal year ended 31st December, 1941, together with a Balance Sheet, showing the financial condition of the Company at the close of the year, a Statement of Earned Surplus and Profit, also the Auditors' Report.

STATEMENT OF PROFIT FOR YEAR ENDED 31st DECEMBER, 1941, AND OF EARNED SURPLUS ACCOUNT

Profit for the Year before taking into account the undermentioned items		$ 424,022.93
Deductions		249,478.15
Depreciation	$ 27,938.92	
Executive Officers' Salaries	98,130.77	
Directors' Fees	3,000.00	
Legal Fees	408.46	
Provision for Income and Excess Profits Taxes	120,000.00	
	$ 249,478.15	
		$ 174,544.78
Additions: Dividends from Subsidiary Companies		117,447.00
Net Profit for Year transferred to Earned Surplus		$ 291,991.78
Earned Surplus at 31st December, 1940		855,978.87
		$1,147,970.65
Deduct Dividends		151,373.00
On Preference Shares, four @ 1¾%, being 7% per annum to 31st December, 1941	$ 83,601.00	
On Common Shares, four @ 75c per share and one (extra) @ $1.00 per share	67,772.00	
	$ 151,373.00	
Earned Surplus at 31st December, 1941		$ 996,597.65

There was in evidence, a general and steady growth in the demand for goods throughout the territory in which your Company does business, and the volume of sales for the year both in dollars and in tonnage, was greater than that of the previous period.

While the increase in sales was partially offset by a fractional *decline* in gross profit, the net results from trading show some improvement. To this there is added a betterment in the income from investments, the dividends from subsidiaries.

As is usual, inventories were taken at cost or market, whichever was lower. It will be observed the value of goods on hand is much greater than a year ago. This partly reflects a rise in commodity prices generally, but mainly a view that market-wise it was prudent to have on hand substantial stocks of staples.

In the opinion of your directors, adequate provision has been made for possible losses in customers' accounts. The number of days' sales carried on the books as receivables is low in relation to the volume of business.

Early in the year, your Company's branch at Yorkton, in Saskatchewan, was completely destroyed by fire. The loss was fully covered by insurance. By mid-summer, a modern building, suited to the needs of the district, had been built. This new construction is the reason for the total of Fixed Assets being slightly higher.

In sales, gross and net results, the trading experience of your Company's subsidiaries was much like that of the parent company. All three, Dominion Fruit Limited; The W. H. Malkin Company Limited; H. H. Cooper Limited, each earned net profits in 1941.

As stated in the Auditors' Report appended, the net profits of the subsidiary companies have not been brought into the accounts of the parent company and are not reflected therein in any way, except as to dividends actually received by your Company as shown.

BALANCE SHEET AS AT 31st DECEMBER, 1941

ASSETS

Current Assets			$2,829,241.26
Cash on Hand and in Banks		$ 41,955.75	
Customers' Accounts Receivable, after providing for possible losses		781,557.67	
Advances on Merchandise and Sundry Debtors		31,080.91	
Customs Deposits		4,951.25	
Merchandise—per Inventories—as determined and certified by the Management on basis of cost or market, whichever was the lower		1,969,695.68	
		$2,829,241.26	
Prepaid Expenses			15,828.20
Investments—at cost			1,227,487.35
In wholly owned or controlled Subsidiary Companies		$1,225,887.35	
Shares in an Associated Company		1,600.00	
		$1,227,487.35	
Fixed Assets			748,490.33
Real Estate and Buildings—at cost less depreciation and less amounts written off		729,656.88	
Plant and Equipment—at cost less depreciation		18,833.45	
		$ 748,490.33	
			$4,821,047.14

LIABILITIES

Current Liabilities to Public			$1,244,286.75
Bank Loans		$ 254,500.00	
Accounts and Bills Payable		840,486.12	
Provision for Income and Excess Profits Taxes		113,304.76	
Dividends payable 15th January, 1942		33,607.50	
On Preferred Shares	$20,900.25		
On Common Shares	12,707.25		
	$33,607.50		
Dividends previously declared and still unclaimed		2,388.37	
		$1,244,286.75	
Current Advances from a Subsidiary Company			263,000.00
			$1,507,286.75
Reserve for Contingencies			100,000.00
Capital Stock			2,217,162.74
Authorized:			
7% Cumulative Preference Shares of $100.00 each—25,000 Shares		$2,500,000.00	
Common Shares of No Par Value—30,000 Shares			
Issued and Outstanding:			
7% Cumulative Preference Shares—11,943 Shares		1,194,300.00	
Common Shares of No Par Value—16,943 Shares		1,022,862.74	
		$2,217,163.74	
Earned Surplus			996,597.65
			$4,821,047.14

Approved on behalf of the Board
W. H. McWILLIAMS } Directors
H. W. HUTCHINSON }

Contingent Liabilities Reported:
Guarantee of a Subsidiary's bank indebtedness for a maximum amount of $200,000.00.

Auditors' Report to the Shareholders:

We have made an examination of the books and accounts of Western Grocers Limited, for the year ended 31st December, 1941, and have prepared therefrom the accompanying Balance Sheet. We have also examined the books and accounts of Dominion Fruit Limited, and H. H. Cooper, Limited, subsidiary companies, and have inspected the financial statements of your subsidiary, The W. H. Malkin Company Limited, certified by their Auditor. In accordance with Section 114 of the Dominion Companies Act, we report that the accompanying Balance Sheet does not set forth the assets and liabilities of the subsidiary companies and that the Statement of Profits does not include the operating profits of the subsidiary companies, except as to dividends actually received therefrom in 1941.

With this report, we are of the opinion that the Balance Sheet submitted herewith exhibits a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the books. We have obtained all information and explanations required by us.

(Signed) SHARP, WOODLEY & COMPANY,
Chartered Accountants,
Auditors.

HEAD OFFICE—WINNIPEG, MANITOBA
BRANCHES:
Calgary, Edmonton and Lethbridge in Alberta
Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon and Yorkton in Saskatchewan.
Brandon, Dauphin, Flin Flon, The Pas and Winnipeg in Manitoba
Fort Frances, Kenora and Port Arthur in Ontario

Provincial Bonds Show Good Market Record

Higher Revenues, Better Debt Situation Are Reasons

By **ROBERT C. STARK**

Investors in Canadian provincial bonds have been reaping the benefits of inflated wartime revenues as provincial financial affairs throughout the country have moved toward a more solid footing. Responding to that improvement the bonds of these provinces have generally showed a fair capital appreciation during the past few months. Best gains have been made by bonds of the Prairie Provinces where the war has brought an economic recovery to a more marked extent than in some other parts of the Dominion.

A representative list of provincial bonds shows the trend of prices over the past year with the table showing the approximate current bid as compared with six months and a year ago:

Approximate Bid Price

	May 1, 1942	Nov. 1, 1941	May 1, 1941
Alberta, 4½/56 ...	67	63	54
Brit. Col., 4½/53 ..	107	105	99
Manitoba, 4/57	97½	94	85
New Bruns., 3½/56	95	94	88
Nova Scotia, 3¼/56	98½	96	93
Ontario, 3/50	99	98½	98½
Ontario, 5/60	121½	121	119
P. E. I., 4/54	101	100	...
Quebec, 3/47	98	96½	93
Quebec, 4½/63	111	105½	101
Sask., 4½/51	89	85	80

Record revenues and a trend toward declining debts have been characteristic of the Canadian provinces since the outbreak of war, comments the current review by Dominion Securities Corp. This firm has compiled an interesting summary of provincial financial affairs over the past five years showing the combined results of all provinces except Prince Edward Island.

Dominion Securities states:

"Increasing revenues derived through expanding business activity has resulted in every Canadian province without exception. The western provinces of Alberta, British Columbia and Manitoba have shown virtually no increase in their debt since 1937. In 1940 only Ontario, Quebec and Saskatchewan showed an appreciable increase in the gross debt less sinking funds, while in 1941, the latter two alone showed a gain. Preliminary results for the fiscal year ending in 1942 leave little doubt but that there will be a substantial decrease in the combined provincial debt."

Financial positions of the individual provinces have been brought up to date by the recent presentation of their various budgets. Budgets for the new fiscal year, however, have to take into account the Dominion-Provincial tax agreement. On this question most provinces are figuring on a drop in automobile license revenue while some anticipate a drop in liquor revenue. Under the terms of the deal with Ottawa they are guaranteed their revenue from corporation and personal income taxes or the cost of their net debt service. They are also guaranteed their "take" from gasoline taxes on the basis of what they collected in 1940. For some provinces that latter will mean a reduction from what they collected on this account last year.

Ontario's Surplus

For Ontario Premier Hepburn reported an overall surplus in the year ended Mar. 31, 1942, of $1.3 millions, forecast a $13.3 millions overall surplus for the current fiscal year. Current revenues are expected to drop to around $105 millions from $121 millions due to anticipated declines in revenues from liquor, succession duties, motor vehicles and gasoline tax. During the 1941-42 fiscal year Ontario's funded debt increased by $2.7 millions to $619.3 millions, treasury bills outstanding were reduced by $11.5 millions to $49.5 millions and estimated contingent liability of the province was reduced by $6.5 millions to $125.5 millions.

Comparative Provincial Statistics

	Revenues			*Net Debt	
	Actual $000	Yearly Gain %	Ordinary Surplus $000	Actual $000	Yearly Gain %
1937	226,260	...	2,066	1,638,070	..
1938	251,288	11.1	4,051	1,705,892	4.1
1939	263,281	4.8	2,679	1,810,787	6.2
1940	265,972	1.1	-14,496	1,895,234	4.7
1941	291,567	9.8	28,597	1,902,773	0.4

* Gross funded and temporary debt less sinking funds.

British Columbia

British Columbia in the 1942-43 fiscal year estimates revenue of $33.1 millions and expenditures of $33 millions leaving a surplus of $60,766. The 1942-43 estimate of revenue collections is $1.2 millions greater than the previous year but approximately $3 millions less than actual collections during 1940-41. The Dominion-Provincial agreement means fixing of about $12 millions on B.C.'s revenues and provision has been made for reductions in revenue from motor vehicle fees and licenses, liquor profits and fuel oil tax. Since Oct. 1, 1941, there has been a reduction in the province's net debt of $5.9 millions.

Alberta Interest Question

Alberta's financial statements hang largely on whether or not it will continue to pay only half-interest on its bonds. However, on that half-interest payment basis the province has budgeted for a surplus of $229,574 in the 1942-43 fiscal year with a favorable overall surplus being expected for the year just ended when final figures become available. Net funded and unfunded debt of Alberta at Mar. 31, 1941, totalled $144.7 millions compared with $147.9 millions at the end of the previous year. Outlook for the Alberta debt situation has brightened somewhat in recent weeks with expressions of willingness by government officials to try and negotiate a settlement with its bondholders.

Manitoba Surplus Cut

Manitoba in the year ended April 30, 1942, had a surplus of $1.2 millions, and has budgeted for a $75,716 surplus during the current fiscal year. Here again allowance has been made for a reduction of receipts from liquor profits and automobile licenses. From May 1, 1940, to March 2, 1942, gross debt of Manitoba was reduced from $130.1 millions to $124.4 millions. Provincial treasurer Garson has pointed out that the fiscal need subsidy of $600,000 along with other fixed items now constitute slightly over two-thirds of the province's total revenues. About one half of the remaining third, which is variable, is made up of automobile licenses and profits of the Liquor Control Commission. These could be rapidly pulled down by rationing, federal taxation or other Dominion wartime policies. The remaining revenues are in much the same position. The best, therefore, that the province can hope for, according to Mr. Garson, is a maintenance of its revenues while there is a possibility they will decline.

Nova Scotia

Nova Scotia in the fiscal year ending Nov. 30, 1942, expects a surplus of around $12,162 which would compare with a surplus of $983,942 in the previous fiscal year. Guarantee of the province's gasoline tax revenues at 1940 levels will mean receipts from this source will be reduced nearly $200,000 from the 1941 figure while rationing of tires, gas and parts it is estimated by Premier MacMillan, will further cut revenue between $200,000 and $300,000. Net funded debt of the province at the present time is approximately $78 millions or about $136 per capita. Funded debt will be reduced by nearly $4.8 millions this year through the paying off of three sterling loans.

New Brunswick

For the fiscal year ending Oct. 31, 1942, New Brunswick expects an operating surplus of $111,508 which compares with the peak surplus of $901,234 reported for the 1940-41 year. For the year New Brunswick is expecting stable revenues but higher expenditures, provincial secretary-treasurer Hayes Doone pointing out that if business is showing a commendable uptrend, if natural products are receiving a greater return and modes and standards of life are moving forward through increased monetary awards, higher prices and higher costs must follow. Expenditures are figured at $10.7 millions compared with a little over $10 millions last year.

Quebec in the year ended Mar. 31, 1942, reported an overall surplus of $1.5 million. For the current fiscal year the province is budgeting for a surplus of some $370,000 despite record expenditures. Expenditures this year will run around $89.2 millions, compared with $83.5 millions last year.

Prince Edward Island

Prince Edward Island in 1941 had a surplus of $9,348, the first surplus to be reported by the province since 1928. For the current year a surplus of $8,817 is forecast. Under the tax agreement with the Dominion P.E.I. will receive $779,713 in return for which it gives up taxes of $241,000 and its subsidy of $275,000, a total of $516,000. So that for the current year the estimated fiscal benefits of the agreement amount to $263,713 together with $20,000, which will be placed in reserve for the year following the termination of the agreement, or total benefits accruing during the year (of which $20,000 is not immediately available) of $283,713.

Saskatchewan Benefits

Saskatchewan in the year ended Apr. 30, 1941, had a deficit of $6,073 with statement for the latest year not yet available. Premier Patterson has pointed out that the grant which the Dominion tax agreement provides is in excess of the amount which the province could expect to collect for some years to come from the taxes which are being relinquished. It also leaves the province more dependent on revenues which are in turn dependent upon agricultural conditions which are subject to considerable fluctuations.

From the foregoing it will be seen that while the provinces generally expect contraction in the revenues for the year nevertheless they expect to be still able to show an adequate surplus from the year's operations. That means that present financial positions will be at least maintained, in some cases further strengthened. For bondholders that means continuance of the basic conditions which have brought their bonds up to present price levels.

Investment Notes

Brewers & Distillers of Vancouver shareholders were told at the recent annual meeting by Col. H. S. Tobin, president, that profits in the first quarter of 1942 were 25% higher than a year ago. This was said to be due to participation in the earnings of Distillers Corp.-Seagram through the shares of the latter company held as a result of the sale of assets, an arrangement which the president states is proving of advantage.

* * *

Federal Grain, Ltd. has declared a $2 a share dividend on its preference stock, payable June 1, 1942, to shareholders of record May 15. Arrears on May 1 this year, after giving effect to the latest payment, were $67.12½ a share.

* * *

Preload Co. of Canada has been formed to specialize in designing and building "Preload" tanks, silos, domes, pressure vessels and all containers and carriers of liquids and dry materials, according to announcement by Gunite & Waterproofing Ltd. The "Preload" system of concrete construction for reinforced concrete structures makes possible crack-proof and leak-proof structures using lighter concrete sections than in conventional design and reduces quantity of reinforcing steel needed.

* * *

Toronto Stock Exchange reports share volume in April at 3.1 million shares compared with 3.3 million shares in the same month of 1941. Value of transactions in April was $3.7 millions against $5.6 millions a year ago. For the first four months of 1942 share volume has totalled 12.3 millions and values $19.2 millions. Comparative figures for 1941 are 18.9 million shares and $27 millions in value. All indices computed by the exchange declined last month with 20 industrials down 1.57 points, 20 golds down 3.15, 10 base metals down 1.33 and 15 western oils down 0.23. Quoted market values of all shares listed at the end of April this year was $3,226 millions, compared with $3,281 millions at the end of March and $3,537 millions at the end of April a year ago.

* * *

deHavilland Aircraft of Canada has extended its construction programme to include a $300,000 building programme, according to the Toronto Industrial Commission. A two-story wood-working plant, a single-story foundry and hammer building, a single-story steel and brick fire station and a new mezzanine floor in the present assembly plant is planned. Extended cafeteria space is to be provided, the sewage disposal plant enlarged and power distribution system extended.

* * *

Wellington Building Corp. bondholders are to receive payment on May 15, 1942, of the six months' interest to Jan. 5, 1937, plus interest on this amount to May 15 this year, according to the London & Western Trusts Co., receiver and manager. Bondholders should present their bonds to the London & Western Trust Co., Toronto, to have the interest payment endorsed thereon and the bonds will be returned with the interest cheque.

* * *

Western Grocers Ltd., experienced some gains in sales in the first quarter of 1942 over the corresponding quarter of 1941, W. P. Riley, president, reported to shareholders at the recent annual meeting. Development at home and abroad will be the determining factor in what the rest of the year will bring, he added. Mr. Riley stated that, although government control of business is now absolute, the grocery business had proved resourceful and able to adapt itself to the new way of doing things and that operations are proceeding smoothly.

* * *

Brown Corp., which operates a large pulp mill at La Tuque, P.Q., was awarded contract for construction of a $150,000 plant extension to John Wickenden, Three Rivers. The same general contractor also has been given a $400,000 contract for supply and installation of machinery.

* * *

General Steel Wares Ltd. has declared a participating dividend of 28c. a share, in respect to the year 1941 on the preferred stock, payable May 20 to shareholders of record May 8. This is the second participating dividend to be made in 1942, a dividend of 25c. a share having been paid Feb. 20, 1942.

* * *

Canadian Investment Fund's net asset value at the end of March, 1942, was 6.3% lower than at the close of 1941, reflecting a general decline in stock prices during the first quarter of the year, according to a statement issued by Calvin Bullock, president. There were only two changes in the investment portfolio during the past quarter. These included an increase in holdings of National Steel Car common stock from 3,325 to 3,500 shares, and purchase of $200,000 Dominion of Canada Victory Loan. During the period there was an increase of 26,356 in the number of outstanding shares of the company.

* * *

Canada Northern Power Corp. power output in March totalled 55,883,840 kw.h., a reduction of 12.1% from March last year. For the first quarter, output at 160.8 million kw.h. was 13.3% under the returns for the same period a year ago.

* * *

W. D. Beath & Son, Ltd., has declared a dividend of 80 cents a share on its class A stock, first payment since 1931 when 20 cents a share was paid. The current dividend is payable July 1 to shareholders of record June 15. This stock is entitled to cumulative annual dividend of $1.60 a share and arrears at the end of 1941 totalled $18.20 a share.

* * *

Polymer Corporation's board is to have a labor representative. A. J. Crawford, Toronto, general organizer for Canada for the Sheet Metal Workers International Association, has been appointed a director of the government-owned company formed to produce synthetic rubber in Canada.

* * *

International Metal Industries, Limited, may liquidate arrears of dividends on its preferred stocks by the end of next year following a reduction this year, provided prospects as evidenced by earnings in the first quarter are maintained. Operating profits for the first quarter of 1942 were $155,000 greater than in the same quarter a year ago. Provision for income taxes was increased by $170,000 and net results were 7.8% below a year ago. W. E. Maun, vice-president and general manager, told shareholders at the recent annual meeting that the company is faced with an unusually difficult situation resulting from increased taxes and labor shortage, but that it should perform somewhat better than the average.

* * *

Canadian Vickers' operating profits for the year ended Feb. 28 are expected to show a further gain. The high volume of war business, especially in airplanes and shipbuilding, has led to report that all arrears of interest on the bonds might be paid off before end of the year.

* * *

Canadian Foreign Investment Corp. will redeem 1,000 shares of its outstanding 8% cumulative preferred stock as of July at $105 per share and accrued dividends. These shares will be drawn for redemption from shareholders of record on May 15. After this redemption a total of 5,823 shares will be outstanding.

Bond Sales

Sherbrooke

City of Sherbrooke has sold an issue of $250,000 of bonds at 101.28 to the Banque Canadienne Nationale, Savard, Hodgson & Co., and Wood, Gundy & Co. Proceeds will be used to finance a programme of public works. The issue carries interest of 3½% and will mature in series for 20 years from Feb. 1 next.

Bond MARKETS

Newsprint bonds generally continue to drag along around their recent lows hit by discussion of newsprint vs aluminum from the standpoint of power consumption. Best actor of the whole list has been Minnesota & Ontario which went ex-coupon for five points at 102, but has now worked its way back to par bid. Both Browns and M. & O.'s are unaffected, of course, by what discussions there have been of power diversions for aluminum production.

* * *

Canadian Vickers has provided a substantial market feature recently. Talk reported here several weeks ago in connection with possibility of a good-sized interest payment in August has continued, with the result the bonds have come up to around par bid, a gain of some six points in the last three or four weeks.

* * *

Canadian Locomotive 6's at around 100 to 102 are attracting further trading attention. It is understood that the company has been able to make substantial inroads on its bank loans and some announcement is expected shortly on the interest payment due July 1. By that time there will be a 30-point accumulation on the bonds. Last July Locomotives paid 9% or 1½ year's interest.

* * *

Scarcity of corporation bonds is reported by traders currently with the result that some buying interest has spilled over into issues which have been relatively dormant for some time. Most of these issues have a definite war tinge, however, among them being Noorduyns now 90 bid, up around four points and Federal Foundries at about 89-92 for a similar gain. Twin City Rapid Transit 5½'s at 84 to 86 have been more active marketwise in recognition of climbing business for urban transport generally.

Nova Scotia To Pay Debts

Province Has Funds to Redeem $7.3 Millions of Debentures

From Our Own Correspondent

MONTREAL. — Nova Scotia will pay off $7,273,713 worth of debentures this year, without resorting to any refunding operation, according to a statement issued by Premier A. S. MacMillan.

The necessary funds for meeting these maturities, according to Premier MacMillan, will come from the provincial sinking fund and the payment of $4,447,000 by the Canadian National Railways, of maturing bonds of the Halifax and Southwestern Railways, held by the provincial government. The Halifax and Southwestern, running between Halifax and Yarmouth, now is part of the Canadian National system.

The province's maturing debentures consist of a $2.5 millions issue maturing May 15; a sterling loan of £150,000 maturing July 1; debentures totalling £180,400 maturing Sept. 30; Nova Scotia redeemable stock called for Sept. 30 to £650,000.

The dollar equivalents of the sterling loans have been taken at par, at the rate at which the loans were negotiated. They will be paid on the current sterling-dollar basis.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Mtl. L. H. Pr.	*3½%	1956	June 1	102½
Inter-C. Bak. ..	†5½%	1948	July 1	101½
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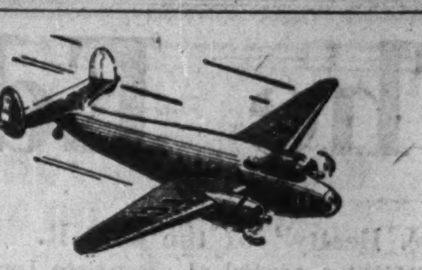

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Lv.	Moncton............	6.00 a.m. A.T.
Ar.	Sydney............	7.20 a.m. A.T.
Ar.	St. John's, Nfld.....	12.20 p.m. N.T.
Lv.	St. John's, Nfld.....	1.45 p.m. N.T.
Lv.	Sydney............	3.50 p.m. A.T.
Ar.	Moncton............	5.15 p.m. A.T.

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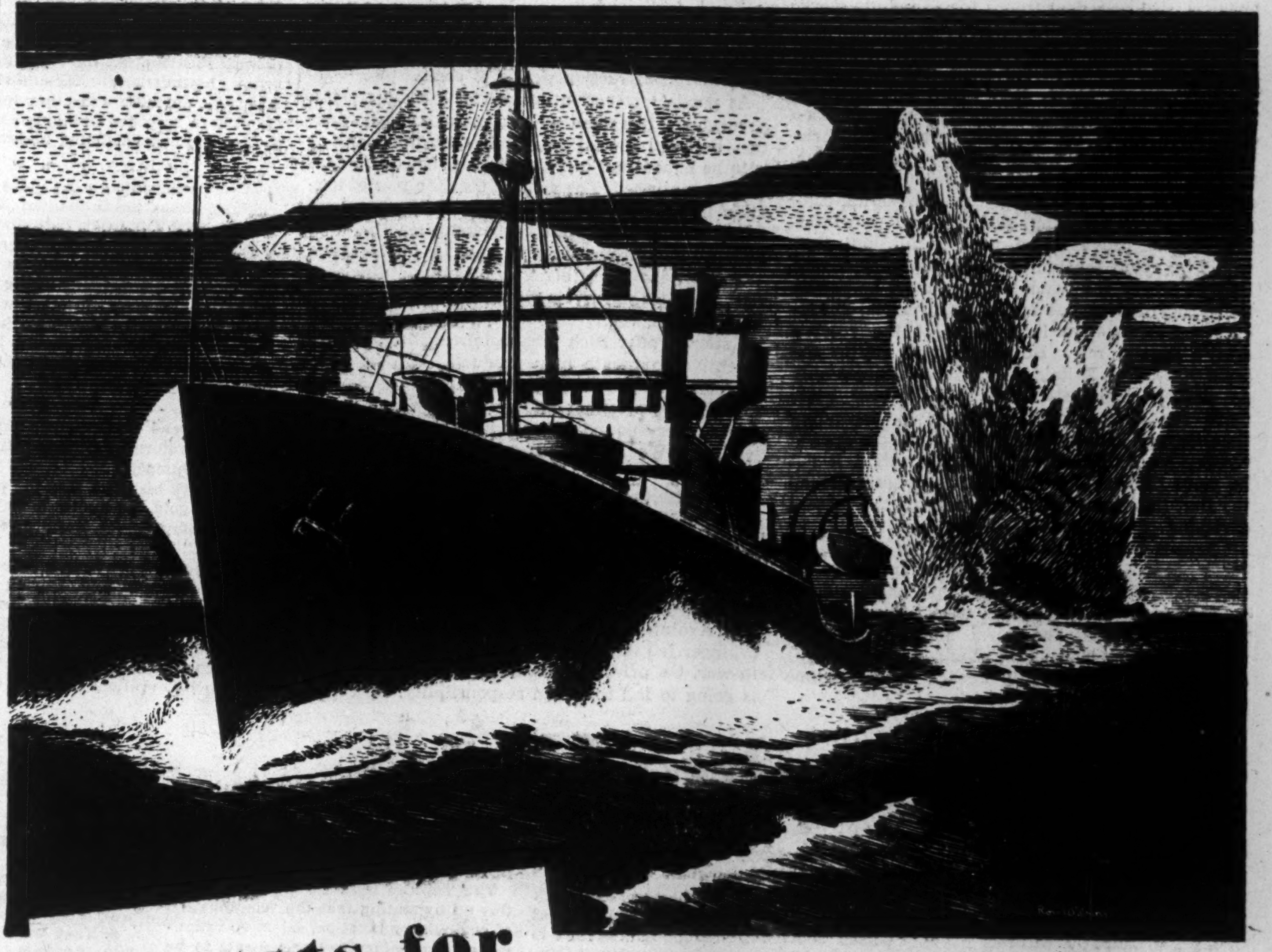

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The Editorial Page . .

"Mr. Beatty" of the C. P. R.

It seems but a handful of years since Lord Shaughnessy became chairman of the Canadian Pacific Railway and handed over the presidency to a brilliant younger man, whose extreme youth called forth comment all over the country. And now Sir Edward Beatty has himself turned over the presidency.

It has been said in respect to the Canadian Pacific that Mount Stephen financed it; Van Horne built it; Shaughnessy developed it and Beatty consolidated it. When Sir Edward took over the job of president a week before his 40th birthday, he may have felt some qualms about the task which faced him. His predecessors were towering men. But Beatty too maintained the standard.

Measured by any standard, Sir Edward has been a big figure in Canada's life. In his business life he has experienced a shining period of prosperity and a dark era of depression. He has watched a formidable competitor arise, in the form of a state-owned railway system larger than his own. He built great ships for his company's globe-travelling clientele. He hailed the birth and the regal triumph of the Empress of Britain and he listened in sorrow as his own telegraph system tapped out the story of its untimely, heroic death. He gave Canada world-famous hotels. He saw his company project its activities into the third dimension of the skies above Canada.

The confines of his office and business were never narrow. But the sturdy Beatty personality overflowed into broader fields. There was scarcely a phase of Canadian life—educational, artistic, commercial, financial—where Sir Edward has not been an active, aggressive and unselfish figure, setting a fine example in that realm known as "public spirit."

To some extent the job made the man; but Sir Edward Beatty made his job a big one, an important one, a national one.

He will, all Canada hopes, continue as a great figure in Canada's life for many years yet. He has entrusted the administrative aspects of his former work to the competent hands and mind of D. C. Coleman. But "Mr. Beatty" will continue to be synonymous with "C.P.R."—and that means synonymous with something rich and beneficial in Canadian life.

Do We Need Reserve Army?

One hesitates to throw even a little cold water on any plan which stimulates interest in the country's war effort, and certainly the present swing toward enrolling in Canada's reserve army is generating wide interest. Yet there is concern in some quarters as to the vital importance of this movement.

Have we reached the stage when we can afford all this effort in building up a huge second or third class army? Should we not continue to concentrate largely on the first line troops, which are still admittedly deficient in some lines of technical equipment and training? We have, for instance, still very few troops for parachute work or other shock tactics.

The only classes of men being taken into the reserve army are unfit for front line duty. For physical reasons alone, they could not hope to take part in any prolonged fighting. As an emergency force called up to repel invasion in their home neighborhood, where they would not have to face the hardships of nights in the open, scanty food and water supply, and above all, continuous nerve-wracking shelling and bombing, they would prove to be very useful, but that would be about the limit of their work. In Great Britain, where the whole country must be potentially regarded as vulnerable to invasion, emergency protection for local areas is the reserve army's special role. But Canada is not in the same position as Britain. In our coastal areas only do similar conditions exist, and in those areas there can be no valid objection to expending time, energy and equipment on creating a special reserve force. Elsewhere, however, might it not be more profitable to continue to concentrate on the first line fighting forces and check the present diversion of energies?

There is a most serious interruption of war and other essential production when hundreds of thousands of men in regular occupations are drilled for two or three nights a week. There is also to be considered, the furnishing of uniforms, equipment and instructors at a time when most of these are still urgently needed for the active forces.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

Critic Plays Vital Role

Constructive criticism's vital part in the country's war effort is effectively presented in the Vancouver Sun's editorial comment on the conviction registered against that paper for violation of the Defence of Canada Regulations. With justification the Sun points out that since "we began to argue for more attention to this coast, the government has performed miracles in approving equipment and organization." With equal justification it reminds its readers that:

> "When we look back over the record of the war, when we remember how nearly every constructive act by the government has occurred only after months of vigorous public demand, only after long campaigns in the press, only after extreme pressure, we realize that without full criticism the government would never have produced the present war effort. And since the opposition in parliament is lamentably weak, most of the useful criticism has come from newspapers and most of the good results can be traced to the free journalism of the nation."

With such opinion any reasonable newspaper reader must agree. The honest critic is not disloyal, not "agin the government," but by continuous pressure on our weaknesses is keeping the authorities on their toes, and aiding them in making the necessary corrections.

Criticism is an essential part of democracy, the main factor in progress. Without it man would still be living in the stone age, without it Britain would never have been able to recover after Dunkirk.

Coming to its own particular case which resulted in a conviction and the paying of a nominal fine, the Sun argues that the government "did not prosecute certain persons in Quebec because it considered, perhaps wisely, that this would do more harm than good. But it judged that nothing it did to the Sun would affect this newspaper's support of the war." In this, says the Sun, the government judged rightly.

Two Kinds of Taxes

Emergency taxes like temporary subsidies have a habit of becoming permanent. This sort of thing is bad enough at any time, but it will be sheer suicide if the practice is continued into the critical postwar reconstruction period to come.

As partial protection against such a danger the government has done well to make some distinction between special war and other taxes and it is to be hoped that in future levies that distinction will be continued. The point is that the role of taxation in wartime is not the same as in peace and what has proved sound economy in the one instance may prove the very opposite in the other.

Today, taxation is being used for two purposes, first, to raise money to fight the war; second, to halt competitive civilian buying and thereby check inflation. Under such circumstances there is little incentive to create new products. Unless some new invention can be immediately geared to the war effort we cannot afford it. Every man, every dollar, every pound of material is wanted for one job only. We have no surplus for ordinary consumption.

But after the peace the situation will be entirely different; then there will develop almost overnight a huge surplus of labor and an equally huge surplus of raw materials. The gigantic stream of both that has been going into the war effort will be ready for diversion. To accomplish that diversion with a minimum of disturbance is going to be even a bigger job than it was to get the country geared to war. On private initiative and private industry is going to fall the main responsibility. Success of discharging that responsibility will rest largely on how rapidly we can restore and develop consumer buying. We will need all the old incentive and more to explore new channels of industry.

The deadweight of purely restrictive taxation will have to be lifted and industry and private initiative given the most generous encouragement to go full ahead.

Where Silence is Not Golden

Some months ago Hon. J. J. Hayes Doone, provincial secretary-treasurer of New Brunswick, had some hard things to say about the way Canadian bond dealers were treating his province. He bluntly charged that the interest rates demanded of New Brunswick were too high but that the province itself could not do much against the virtually solid conspiracy of Canadian investment houses.

So far as the general Canadian public is concerned those serious charges have been allowed to go unchallenged by the investment fraternity.

On the floor of the Provincial Legislature Hugh Mackay, leader of the Conservative Party and in private life an investment dealer, undertook to correct Mr. Doone in some of his statements. During the past year New Brunswick has twice entered the financing market. One issue of $1.8 millions of 20-year 4% bonds was sold at par with a 2% commission to the underwriters. Another issue of $4.5 millions 12-year 4% bonds was also sold to the public at par. Such a coupon rate seems hardly exorbitant on a provincial issue of this type. The interest rate any Canadian province can obtain depends on the credit it can command in the open market. By and large new bond issues are sold at prices fairly well in line with prices prevailing on already outstanding issues of the province.

However, the fact that Mr. Mackay did correct whatever misconceptions may have existed over this situation has not been given nearly the same prominence that Mr. Doone's initial charges secured. Canadian investment dealers have chosen to regard this as almost a private matter and one that is now closed. While the dealers themselves are well aware of the facts there is a large body of public opinion which is not and to idly allow any misconceptions to exist is damaging to the whole investment business. There seems room here for wider development of a public relations sense.

Editorials in Brief

One of the most serious risks of friction between Canada and the United States has been removed. Speaking in Montreal this week, Leon Henderson, U. S. price czar, reported that he and Donald Gordon were going to work together to ensure so far as possible "equality of burden on the citizens of the two countries." This is excellent. Sacrifices shared equally are easily and cheerfully borne.

* * *

Analyzing the large "no" vote among German and Ukranian residents of Winnipeg North, the Winnipeg Free Press states that the plebiscite has shown "a large number of fifth columnists loose." The Free Press wisely urges an effective campaign of democratic education. At the same time it would only be ordinary prudence for the authorities to keep a careful check on these and other foreign born communities where recorded opinions have run so counter to that of the overwhelming majority.

* * *

Canada subsidizes some industries affected by price ceilings, states the influential New York News. The truth is that Ottawa is subsidizing consumers, which is an entirely different matter. Industries and big importers facing rising costs on certain raw materials and imports are actually being asked to absorb part of these extra costs. In other words, as Finance Minister Ilsley clearly stated in the House of Commons recently, "the subsidy should leave the industry in a worse, not a better, profit position than before the price ceiling was imposed."

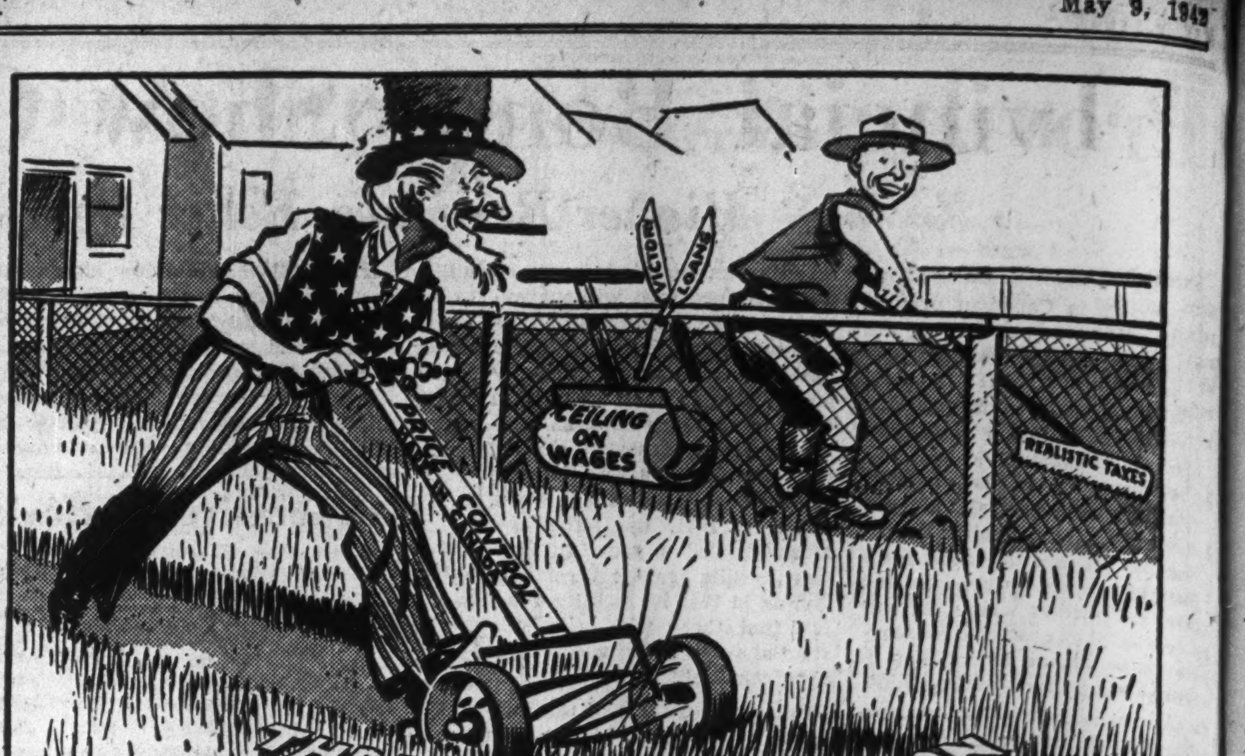
* * *

A reverend gentleman in Edmonton writes to the monetary reformist Ottawa Citizen about "the golden Humpty Dumpty."

To prove his point that the people have lost confidence in gold, he quotes a statement once made by Prof. Gustav Cassel, Swedish economist, that gold is "a fetish."

There may have been a time when the Swedes had lost confidence in gold. During 1940, for instance, they allowed the gold holdings of their central bank to drop to $160 millions from $308 millions.

But the canny Swedes are buying it back again. Their gold holdings at the last report (January) were back to $225 millions, and still climbing.



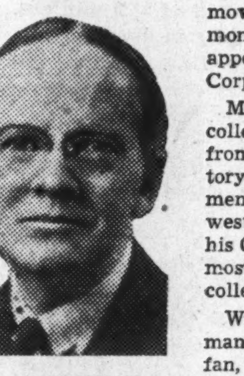
—Cartoon by Grassick

JACK CANUCK—"And I'll be glad to lend you the other tools, too, Sam, if you want to make a real job of it."

Post-Scripts . . . .

C. P. R.'s Fifth President

Small, debonair, D'Alton Corry Coleman, who succeeds Sir Edward Beatty as the fifth president of the Canadian Pacific Railway, brings to his new post two important assets—a well-rounded and deep knowledge of railway operations and the full support of some 50,000 employees. Ever since it became known Sir Edward might have to retire because of illness, there has been considerable speculation as to his successor. Right from the start "D.C.'s" name has been mentioned. At the same time many prominent "outsiders" were considered in the running. In picking a man who has come up through the ranks, however, the Board gave recognition to the fact that within the company was a man with the ability to run the world's largest transportation system.



D. C. COLEMAN

Being president of a company will be no new experience to Mr. Coleman. Of the many small companies which form an integral part of the Canadian Pacific system, he is president of 40, vice-president of four and director of 22. He is also a director of the Metropolitan Life Insurance Co., New York, of Canadian Marconi Co. and is a member of the Canadian Committee of the Hudson's Bay Co., etc.

The new president's career lives up to the best traditions of one of Horatio Alger's heroes. He was born in Carleton Place, Ont., 63 years ago. After attending school in Braeside, Carleton Place, and Belleville, his first job was with Central Canada Loan and Savings Co. at Toronto, where he wrote shorthand for the late Hon. George A. Cox and E. R. Wood. Then for a short period he worked as a newspaperman, first on the Belleville Intelligencer and then on the Port Huron Daily Times.

The first big change in his life came in 1899 when he joined the Canadian Pacific Railway as a clerk at Fort William. In its successive stages, his career followed the pattern of the average successful railway worker, but he went farther and faster than most men do. Less than 20 years after joining the company, he became vice-president of Western lines and commanded the vast railway territory that stretched from the Great Lakes to the Pacific Coast. Sixteen years later, at the age of 55, he became vice-president of the entire system, moving from Winnipeg to Montreal.

Few men have a deeper insight into the basic industries of Canada, primarily from the point of view of traffic needs and possibilities and the need of the basic industries for traffic facilities. He has that outstanding faculty possessed by successful railway officers, of knowing every inch of their territory—with the difference that his territory includes the entire Dominion.

Outside interests have given Mr. Coleman a well-rounded character, one that eminently fits him for his new responsibilities. He did yeoman service in straightening out the affairs of the University of Manitoba—a service later recognized by an honorary LL.D. When he moved to the East; in fact, within one month of his arrival in Montreal, he was appointed a trustee and member of the Corporation of Bishop's College.

Mr. Coleman is an enthusiastic collector of Canadiana of all descriptions, from folk lore to current politicial history. His library of books and documents relating to Canada, particularly western Canada, the scene of most of his Canadian Pacific service, is one of the most comprehensive privately owned collections in the Dominion.

With all his responsibilities, Mr. Coleman is "human." He is an ardent hockey fan, easy to meet, and, when necessary, he has a railwayman's facility of speaking to the point.

He makes a worthy successor to Mount Stephen, Van Horne, Shaughnessy and Beatty.

* * *

War Services

When Hon. W. G. Martin was made Ontario's first Minister of Public Welfare in 1930, he asked George Pifher, then office manager of the Brantford Expositor, to come to Toronto as his secretary and as secretary of the department. The department was a new one undertaken by the Ferguson government following the Ross Royal Commission.

For years there was not even a deputy minister.

For seven years (until Mr. Hepburn "fell out" with his own Minister of Public Works, David Croll), Mr. Pifher continued at the centre of things around welfare work at Queen's Park; secretary of the Unemployment Relief; secretary of the Department when it was expanded into Municipal Affairs and Labor; secretary of the Soldier's Aid Commission; secretary of the Industrial Schools Advisory Board, of which C. L. Burton of Toronto was chairman.

GEORGE PIFHER

When the axe fell in 1937, George Pifher found himself out of a job also. He turned to life insurance but on the outbreak of war when Mr. Burton organized in Toronto the Citizen's Committee for Troops in Training, he at once asked Mr. Pifher to come as secretary. In December, 1940, he was drafted by the Department of National War Services at Ottawa as secretary of the National War Services Advisory Board of which Mr. Burton was also chairman. He was also asked by the Minister of the Department to act as liaison officer between the department and the Director of Auxiliary War Services in the Department of National Defense. As such, his job was to conduct periodic inspection of these services in all the army, naval and air bases and establishments throughout Canada, as well as supervise the work performed by civilian services such as the Toronto Citizen's Committee of which he had formerly been secretary.

This is the background which led to the appointment of Mr. Pifher a few days ago as Director of Voluntary and Auxiliaries in the Department of National War Services. His new job is to take over the work of the Director of War Charities (a title which now disappears) and weld into one cohesive whole the collection and expenditure of the $15 to $20 millions annually which are earmarked for war work of this type. Since the outbreak of war something over $40 millions has been collected in this field and with the elimination of private subscriptions to finance the war work of the "Big Five" Auxiliary Services and the new liaison of Salvage work to urban Committees such as the one Mr. Pifher helped organize originally in Toronto, his job has become of considerable importance.

Mr. Pifher was born at Palmerston, Ont.—a farmer's son. He was educated at Brantford Collegiate Institute, joined the local C. P. R. office as chief clerk of the freight division and then went to the Expositor.

* * *

Three of a Kind

It is not unusual for a man to be with one organization for 40 years but when three executives in the same firm reach this anniversary simultaneously the event is probably unique. Yet that is exactly what is happening at the Huron & Erie Mortgage Corporation, and the principals are Messrs. Aylsworth, Clarke and McEachern; general manager, treasurer and secretary respectively.

Morley Aylsworth is a native of Dorchester, Ontario. He joined the staffs of Huron & Erie and Canada Trust Co. as a junior clerk in 1902. Twenty-four years later he was appointed general manager to succeed the late Major Hume Cronyn, LL.B. who became president of the corporations.

In 1926 he was elected to the board of directors of Canada Trust and three years later was appointed a director of Huron and Erie. Mr. Aylsworth's hobbies are golf and lawn bowling, and he negotiates the difficult course at the London Hunt Club in the eighties.

Danbert McEachern hails from Aldborough Twp., Elgin County, Ontario. Ten years after joining Huron and Erie he became accountant at Main branch, and in 1914 was made manager. After serving three years in that position he became assistant secretary at head office. In 1919 he was appointed secretary.

Mr. McEachern has served the London Chamber of Commerce as treasurer continuously since 1924. Upon several occasions he was honorary treasurer for Canadian Red Cross campaigns. Recently he was named chairman of the newly appointed Dependents' Trustees Board of the Department of National Defense embracing the counties of Middlesex, Elgin, Lambton and Perth.

Mr. McEachern is an ardent horticulturist.

Like his fellow celebrators Charles J. Clarke joined the staffs of Huron and Erie and Canada Trust as a junior clerk in 1902. Twelve years later he became manager of Canada Trust's main office in London, and in 1917 was appointed manager of main branch for both institutions. In 1919 he was appointed treasurer.

Mr. Clarke is a member of the London Hunt and Country Club and is a keen golfer and fisherman.

* * *

Stop Me If . . .

U. S. Ambassador John G. Winant's unassuming manner has made a very favorable impression on the British public. A particular hit was made shortly after he went to England when he was called upon without warning to make a speech.

Shyly Mr. Winant rose, bowed formally to the chairman, faced the audience, then spoke a single sentence:

"I knew I shouldn't have gotten up in the first place."

Bowing gravely he resumed his seat.

Other People's Views . . . . . .

The Canadian Editorial of the Week

French Canada and the War

Winnipeg Free Press

It is apparent that the issue in the war has not been made clear to French-speaking Canadians, that they do not understand even now that their fate as citizens of a free world hangs in the balance and that everything they cherish and hold dear depends upon the victory of the United Nations.

For this the whole government is to blame, but that blame rests with special weight upon the shoulders of Mr. King and his French-Canadian colleagues in the cabinet since war broke out, with the single exception of Mr. St. Laurent whose advent into the government is so recent and whose attitude toward the war has been always so clear that he must be wholly absolved.

The responsibility for this lack of understanding in Quebec rests upon Mr. King, upon the late Mr. Lapointe, the late Senator Dandurand and Mr. Cardin. For the services of these men when the war broke out, nothing but the highest praise can be offered. Their conduct and bearing were beyond reproach.

But the world has changed since 1939. The whole course of the war has deepened the shadows and sharpened the issues to make them comprehensible to everyone. Yet it is apparent today that, not only during the plebiscite campaign itself but for many, many months before it, indeed ever since the fall of France, no sustained and vigorous effort has been made to bring home to the French Canadian citizens of this country as a whole the tragic consequences to them and to us all of defeat.

Here obviously is a heavy black mark against a government which prides itself above all else upon its efforts to create and to maintain the unity of Canada. The resulting situation is one fraught with the gravest dangers to our future as a state. They can be, we hope, surmounted, but statesmanship of the greatest courage will be needed if the effort is to succeed.

* * *

As Others See Us

Doubling War Savings

Edmonton Journal

A statement made by Mr. Spinney, the chairman of the national war finance committee, during the recent meeting of that body in Ottawa did not receive the attention it deserved. This was due principally to the absorption of the public in the plebiscite campaign. He held that Canadians from now on, in order to meet the borrowing requirements of the government, would "need to double or more than double the amount of current savings at present being invested in Victory Bonds, War Savings Certificates and War Savings Stamps."

The government has given little or no encouragement to the proposal that some form of compulsory saving out of wartime wages be adopted. But this would have definite advantages, three of which are cited by The Financial Post in its current issue. Such a system would create a steady source of revenue to meet soaring war expenditures; it would restrict consumer spending and thus check inflation; and it would create a substantial nest egg for workers in the postwar transition period.

The Toronto financial weekly follows this up by stating that the "combination of compulsory taxation, selective rationing and voluntary saving appears to be working fairly well and, so long as it continues to work, it will not be necessary to consider more rigorous and far less palatable measures." But, even if the combination is "working fairly well" or has done so hitherto, how it can be expected to continue to meet the country's needs is not all clear, particularly in view of Mr. Spinney's revelation.

* * *

A Name for the War

Ft. William Times Journal

In the April 18 issue of The Financial Post appears an interesting symposium consisting of answers in reply to a suggestion from President Roosevelt that an appropriate name be adopted for the present war. More than twenty suggestions are offered. Some of these are pertinent enough and amply descriptive but others are too long and cumbersome for popular use. In order to establish a name for the war that will have a popular appeal it must be short as well as apt.

* * *

Must Face Realities

Kitchener Record

Probably some of us would roll up our sleeves a little higher and pitch in a little harder to help win the war if we got rid of delusions that blind us to realities. The Financial Post cites five delusions that are dangerously too prevalent:

1. That we are certain to win.

2. That Canada has less at stake than Britain.

3. That we are fighting gentlemen.

4. That the weapons and tactics that won other wars will win this one.

5. That we have plenty of time to win because our giant industrial strength will eventually break down the Axis enemy.

The trouble is too many Canadians are still thinking in terms of the last war, not realizing that this conflict is entirely different. This is a global struggle, a contest between scientific minds, a clash of ideals in which a powerful and ruthless enemy is bent on world conquest. Only by devoting all our energy to winning the war can we hope to triumph in the end.

* * *

Duplication

Brantford Expositor

The Administration of Services for Canada has been granted the power to regulate and control the transportation of goods "by, in or by means of vehicles . . ." As The Financial Post of Toronto points out, this country already has a Transit Controller, a Transport Controller, a Board of Railway Commissioners, a Canadian Shipping Board, a Shipping Priorities Committee, a Ship Licensing Committee, several air transport authorities, and various other officials concerned in the transportation of goods. Add to that the Rubber Controller and the Oil Controller, and the same general problem is obvious—too obvious.

It is the part of constructive criticism to draw attention to this situation. Britain has already suffered — and so has the general war effort — from red-taped duplication of administrative services. In Britain, governmental common sense, prodded by public insistence, has led to greater cohesion and better results. Is there any good reason why all the Canadian transit and transport controls should not be placed under one chief and in one department?

* * *

Sayings of the Week

"This is in reality a people's war, a people's war of liberation."—*Sir Stafford Cripps.*

* * *

"A woman's promise to meet you at a certain time carries a lot of wait."—*Sam Hartfeld.*

* * *

"Before we try to get tough with someone else we've got to get tough with ourselves."—*Donald Nelson.*

* * *

"We have got to fight the clock 24 hours a day, seven days a week."—*U. S. Secretary of Navy Frank Knox.*

* * *

"We have licked the problem of production."—*Leon Henderson, U. S. controller over prices and civilian supply, before Montreal Canadian Club.*

* * *

"With the factories working seven days in seven, and no cars to crash at the near-by intersection, how are we going to tell it's Sunday?"—*U. S. Sen. Soaper.*

* * *

"Hatred of novelty, hatred of intellectual daring, hatred of modernization—thost are the things that paralyzed the French army."—*Edouard Daladier, at the Riom War-Guilt trials.*

* * *

During the war the first obligation of every corporation, as of every individual, is to give the utmost support to his Government in the prosecution of the war."—*Robt. C. Stanley, in presidential address to International Nickel shareholders.*

* * *

"Tokio says if we don't stop our campaign we will find ourselves in the lap of the United States. We don't think it will come to that, but if it does, we would rather find ourselves in the lap of the United States than under the heel of Japan."—*Broadcast from an Australian radio station.*

The Financial Post

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Industry Counts Its Calories

Rationing Bears With Unequal Pressure on Sugar Users

Except for the very few exceptions to the industrial sugar ration, Canada's big industrial sugar users are meeting the restrictions in the same ways as the housewife. They are either:

1. Cutting down volume of production, or
2. Reducing the sugar content of the product, while
3. Some are able to do a little of each.

Hardest hit by the rationing system are the industries which by law or by trade policy are forced to maintain sugar content of the product, must perforce reduce production and sales volume. And in this group still harder hit are the one or two firms which have shown rapid growth in the past year or two. Regulation calls for cutting sugar consumption 20% below that of the corresponding month of 1941. For firms showing normal growth that means cutting volume back to around the level of 1940, but for rapidly growing organizations the blow is considerably more severe.

One-product Firms

By and large, the one-product company can do little other than to reduce sales volume.

Coca-Cola, for example, has no alternative to cutting down the quantity produced. But Orange Crush expects to cut its lines from the present four varieties to the staple Orange Crush, while O'Keefe's Beverages, now handling close to 30 different brands and sizes, may ultimately reduce its output to its two most popular brands, O'Keefe's Ginger Ale and Stone Ginger Beer.

Point on which all the major soft drink makers are unanimous is that there shall be no dilution of their products. For years, all the more successful producers have kept jealous watch over quality, checked on such variables as the seasonal changes in the quality of the water used, handling of their syrups and bottled goods by independent bottlers and by retailers, etc. The efforts to attain and maintain quality and goodwill are not going to be scrapped to maintain sales volume.

A major problem for the soft drink maker is apportioning the decreased supplies fairly. The simple rule of cutting retailers back to 80% of last year's sales fails to meet the needs of outlets in expanding communities, although this is partially balanced by areas where sales are dropping. Formal ration plans for the retail outlet have not been drawn up in many cases. Meanwhile, sales managers are being kept on the run making adjustments, checking with back records to establish retail quotas. Some firms have completely cut off isolated outlets, it is reported, but this policy is out for the big producer who must maintain his public contacts.

Small "Free List"

One outlet that gets all it wants is the canteen within a military area. Soft drink makers are allowed to indent for 100% of sugar requirements for these areas, deliver all the pop demanded. Canteens in service men's establishments outside of military areas are not included, get 80% of last year's allotment.

Also on the "free list" are manufacturers of sugar-containing products to the British Empire. For these goods the manufacturer can get all the sugar he wants, but is restricted from crossing his export production with that for domestic use, cannot switch sugar into the home market.

Alcoholic beverages for the most part get by unscathed. Dominion Bureau of Statistics figures for 1940 show the distilled liquor group buying only $1,758 worth of sugar, the brewing industry only purchasing for soft drink subsidiaries.

Winegrowers on the Spot

But Canadian vintners have to take the full effect of the sugar cut and must perforce pass it back to the grape growers. In 1940, Canadian winemakers spent three fourths as much for sugar as they did for grapes, used it to make up deficiencies in the Canadian grape to make the wines Canadians like. For the most part Canadians prefer the sweeter wines, sherries and port.

Last year the wineries bought 17,166 tons of grapes, 76.2% of the total crop. The year before they bought 80%. Nearly 99% of Canada's vineyards are clustered in southern Ontario, and over 90% in the three Niagara counties of Lincoln, Welland and Wentworth. Grapegrowers in this area thus stand to take almost the entire shock of losing some 16% of their market.

Production of a less sweet wine is not regarded as a plausible solution, mainly because there is little local market for dry wines, and because the wineries guard the quality of their product as jealously as the soft drink companies.

Growth of the grape takes about five years from planting to first fruit, followed by sometimes 30 years of production before the vine dies. Although the fertile land of Niagara could be turned to other uses, thrifty growers of costly wine grapes hate to scrap their laborious investment.

Jam makers are in similar position to the wine industry. Three main classes of jam are packed, "pure," which contains only 55% fruit and 45% sugar, No. 2 or pectin jam, which has the addition of pectin, and compound jams, lower on fruit content, with glucose or dextrose replacing some of the sugar. Only in the last category is it possible for the jam maker to substitute corn sugar for cane or beet. Although corn sugar has strong backing from dietary authorities, it is still classed as an "adulterant" in jam making. Since the other categories of jams have fixed sugar quotas, there is as yet no solution for the disposal of a bigger than average fruit crop. Fruit canners not only face the sugar shortage but a tin shortage as well, are not expected to be able to preserve as much fruit as last year unless quotas and other regulations are changed. As things stand fruit may rot on the trees this summer, canned fruits and jams run short next winter.

Bakers Maintain Volume

Because of their importance in national diet, majority of baking firms are cutting down sugar content of cakes and confections, maintaining the volume of production. Part of this is by government order, since beginning April 8 no more sugar is to go into icing for cakes, buns or biscuits. In any event, the baker caught short on normal materials has to do the best he can with substitutes to keep his customers fed.

From the dollars and cents point of view, few bakers are expected to suffer excessively from the curtailment of sugar in most of their products. But the ban on cake icing is serious to both large and small bakers. Serious to the large baker because it is expected to make cake selling more difficult, to the small "store front" baker because much of his business is in iced cakes, and other types that verge on confections.

Although cakes are not the basis of most of the large baking businesses, their role in the profit and loss account is important. They add to sales volume, as such play an increasingly significant role in the accounts of one of the lowest profit-per-unit businesses in Canada. With bread still selling at prewar prices, any possible loss of sales volume is of considerable concern to the majority of bakers, and bakers who specialize in cakes are still more deeply affected.

Silver lining for the baker with several lines to sell is that taking the icing off cakes means a relatively smaller reduction in the sugar content of the cake itself. Some bakers may decide to drop cakes entirely, use their sugar for other products. Meantime a deputation from hard-pressed owners of small bake shops invaded Ottawa in an attempt to get the icing order modified. First result was a stay of one week from the original effective date of April 1. Second has been the development of cakes iced with sugar other than cane and beet, with jams, chocolate, honey, etc. None of these may have sugar added by the baker, who is free, however, to add some sugar to meringues, coconut, marshmallow or whipped cream icings.

Candies Cut

General practice in the candy trade has thus far been to drop lines with the heaviest sugar content, maintain quality and as far as possible volume in other basic lines. Like the pop and wine makers, the established candy manufacturers are hypersensitive to quality, would sooner lose business temporarily than customers permanently, by furnishing second-rate goods.

Laura Secord is reported to be cutting out peppermint patties, which take a great deal of sugar and also increasingly scarce peppermint oil, much of which was formerly brought in from the Far East. New lines using fruit are getting a bigger play. Hunt's Ltd. and Moir's Ltd. are reported following basically similar patterns.

Where substitution of lines or general lowering of sugar content is possible, operations under the sugar quota may be nearly as profitable as last year. One biscuit maker, by cutting out high sugar content lines (said to have been among the less profitable) is stated to have met his 20% sugar reduction with a cut of only 8% in total volume. The same will likely apply to many of the candy companies.

Estimates of how long the restrictions will stay in effect are becoming more optimistic. Use of corn sugar is expected to be made freer with legislative changes. In its various degrees of refinement, from corn syrup through glucose, dextrose to powdered corn sugar, it carries varying degrees of sweetness along with high food values.

Wide expansion in production of corn, cane and beet sugar is scheduled throughout the western hemisphere, while the speed-up in shipbuilding and antisubmarine patrols are expected to bring solution of the transport problem by the year end.

Result: many observers expect at least a relaxation of present restrictions, at best complete withdrawal of rationing for early 1943.

The Week in Business

New figures for wholesale and retail sales emphasize the way in which widespread increase in purchasing power are still being felt in Canada. Taken in conjunction with ever-growing diversion of production to war needs, it emphasizes also the strains on our economic set-up.

Cost of living index for April remains unchanged from march and completes a five-month period during which the range of fluctuation has been only half a point behind the D.B.S. index.

Retail sales index for March at 161.8 is well above February's 154.8 and has far out-distanced March, 1941's figure of 129.3.

Wholesale sales and department store sales indices show the same trend with the latter up 14.3 for the month and the former up 18.6. Country store sales are up 15.8% from a year ago but the gain is well below that of January and approximately the same as in February.

Dividend payment index, computed by Nesbitt, Thomson & Co., has remained stationery for three months. At 121.4 it is slightly above a year ago but well below 1940's 125.3. This index omits gold mining companies.

Iron and steel industry maintains its high rate of activity. Pig iron output for the first quarter was 43.2% higher than a year ago and steel ingots and castings higher by 23.5%.

Construction contracts awarded in April this year at $22.5 millions compare with $23.6 millions a year ago and for the first four months this year there has been a decline of 27.6%.

Flour production in March totalled 1.8 million bbls. against 1.5 million bbls. a year ago and for the first quarter rose 20.3%.

Electric power output in March shows a large gain over the same month in 1941 and the first quarter shows a gain of 21.3%.

Foreign trade continues to boom although admittedly its character has changed. March imports were about $37 millions higher this year than a year ago and exports up $74 millions. The first quarter shows a gain of 37.5% in imports and 70.2% in exports with the excess of exports over imports this year $89 millions whereas last year imports exceeded exports by $3.5 millions.

MONTHLY INDICES

	Apr.	Mar.	Feb.	Jan.	Year Ago
The Financial Post business index	....	*165.5	169.2	168.0	154.3
National Income, D.B.S. ●	....	....	....	....	418.9
Dom. war expend. ●	....	....	132.9	145.2	82.7
Dom. total revenue ●	....	....	109.7	120.5	80.0
Dom. total expend. ●	....	....	163.7	184.6	105.5
■Retail sales index no.	....	161.8	154.8	150.9	129.3
■Dept. store sales index no.	....	157.0	142.7	151.1	125.0
■Wholesale sales index no.	....	154.7	136.1	132.2	125.1
■Country store (% change pr. yr.)	....	+13.8	+15.3	+20.5	+5.5
■Divd. payment index♠	121.4	121.4	121.4	121.3	121.2
COST OF LIVING—					
■D.B.S. index	115.9	115.9	115.7	115.4	108.6
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	165.4	165.8	168.8	135.2
Manufacturing	....	191.2	187.1	188.4	147.4
Payroll (June 1/41=100) (b)	....	118.5	112.3	119.5	....
Payroll index (a) (1937=100)	....	178	185	193	141

	1942	1941	Jan. 1 to date 1942	1941	% Change
RAILWAYS—					
■Carloadings (week Apr. 25)	63,802	60,593	1,045,297	931,067	+12.2
■C.N.R. gross (week Apr. 30) $	9,081,000	7,913,000	107,939,000	89,347,000	+20.8
■C.P.R. gross (week Apr. 30) $	6,837,000	5,588,000	78,266,000	62,067,000	+26.1
C.N.R. net revenue (Mar.) $	6,423,606	4,932,055	15,225,159	10,691,565	+42.4
■C.P.R. net revenue (Mar.) $	3,785,935	3,246,075	9,984,011	8,520,406	+17.1
IRON AND STEEL—(March)—					
■Pig iron production (tons)	167,116	114,282	474,245	331,841	+43.2
■Steel ingots aand castings prod. (tons)	265,903	218,939	767,840	621,006	+23.5
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Feb.)	2,733	6,717	8,776	12,450	—29.5
Factory output ... (Mar.)	3,192	12,093	11,430	34,730	—67.1
Trucks and Buses:					
Domestic sales .. (Feb.)	2,200	2,459	5,243	4,733	+10.8
Factory output ... (Mar.)	16,996	13,951	50,690	38,219	+32.6
Financing:					
Used (Mar.) $	1,662,722	4,214,622	4,645,149	9,616,825	—51.7
New (Mar.) $	1,138,031	3,286,098	3,616,941	7,954,061	—54.5
CONSTRUCTION—					
■Contracts awarded . (Apr.) $	22,512,100	23,567,200	64,295,600	88,843,500	—27.6
Cement prod., bbls. (Feb.)	299,361	302,182	582,756	584,746	—0.3
AGRICULTURE—					
■Flour prod., bbls. .. (Mar.)	1,806,854	1,476,673	4,947,682	4,116,229	+20.3
Flour exp., bbls. ... (Mar.)	899,399	559,193	2,706,110	1,520,714	+78.0
Wheat exp., bush. .. (Mar.)	9,765,258	11,622,719	26,334,393	25,962,393	+1.4
Cattle sales▲ (Mar.)	93,089	71,188	280,226	223,645	+25.3
Hog sales▲ (Mar.)	507,007	466,053	1,594,945	1,464,701	+8.9
SEA FISHERIES—‡					
■Catch, cwts. (Mar.)	231,740	427,300	2,042,540	1,336,500	+52.9
■Landed value (Mar.) $	638,500	602,500	2,269,300	1,718,000	+32.0
NEWSPRINT—					
Production, tons ... (Mar.)	295,835	275,769	885,840	782,674	+13.1
Exports (Mar.) $	12,670,000	10,811,000	39,583,000	30,898,000	+28.2
MINING AND OILS—					
■Coal prod., tons ... (Mar.)	1,600,269	1,546,530	5,191,894	4,826,332	+7.4
■Coal import, tons . (Mar.)	979,169	703,411	2,756,038	1,741,393	+58.2
Gold rec., fine oz. .. (Mar.)	377,109	426,842	1,164,622	1,300,324	—10.4
Crude oil, imp. gals.† (Feb.)	73,108	63,266	162,004	118,463	+36.8
ELECTRIC POWER OUTPUT—(March)—					
■Total monthly, 1,000 kw.h.'s	3,220,953	2,631,809	9,311,680	7,673,578	+21.3
FOREIGN TRADE—♦					
■Imports (Mar.)	$144,886,122	107,982,222	406,568,557	295,996,312	+37.5
■Exports (Mar.)	176,949,773	102,958,387	497,454,071	292,435,196	+70.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Mar.)	147,261	169,810	379,682	486,643	—22.0
Shoes, prod., pr. ... (Feb.)	2,626,084	2,215,864	5,090,031	4,116,949	+23.6
Cotton consump., lb. (Mar.)	16,192,378	16,803,419	49,728,082	49,086,877	+1.3
Raw rubber imp. lb. (Feb.)	9,625,417	8,446,866	10,059,683	22,539,903	—55.4
Cigarette cons., No.† (Mar.)	785,808	692,672	2,309,278	1,872,762	+23.3
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† (Mar.) $	4,176,830	2,838,146	10,300,482	8,319,432	+23.8
Bond sales† (Mar.) $	1,083,943	42,884	1,264,361	240,143	+426.7
Life insurance sales (Mar.) $	35,876,000	33,700,000	118,314,000	93,526,000	+26.5

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■.
†000's omitted. §For four weeks to Dec. 31. ♦Gold excluded.
●Millions of dollars. *Preliminary. ♠Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

On the Record

80% of the man power of the British Commonwealth Air Training plan has been supplied by Canada and of the total cost of $900 millions Canada is paying $600 millions.

• • •

L. Austin Wright and **L. E. Westman,** formerly assistant directors of the Wartime Bureau of Technical Personnel, have been transferred to National Selective Service as assistants to Director E. M. Little.

• • •

H. W. Lea, district manager, Canadian Telephones and Supplies Ltd., Montreal, named director of the Wartime Bureau of Technical Personnel.

• • •

Airplane production at the rate of 360 planes a month is officially reported for Canada's aircraft industry.

• • •

Explosives production surpasses every six months the entire production of the Great War, 30 government-owned plants which cost $125 millions produce explosives and employ 45,000, of which about one third are women.

• • •

Cyril H. Lander, senior vice-president and general manager, National Drug and Chemical Co. of Canada, Ltd., appointed co-ordinator for the division of simplified practice (Montreal and District).

• • •

Central pool for distribution of all bulk food gifts established in Great Britain, to be known as "Overseas Gifts (Food) Allocations Centre." This organization will handle bulk gifts of food from charitable organizations and societies.

• • •

S. A. Cudmore appointed Dominion Statistician with **Herbert Marshall** as assistant.

• • •

G. D. Hubbard appointed WPTB local representative for Barrie and district.

• • •

A. J. Crawford, Toronto, general organizer for Canada of the Sheet Metal Workers' International Association, appointed director of Polymer Corp. Ltd.

• • •

E. Arthur Taylor, Steel Control Statistician, named Field Executive Assistant to the Steel Controller.

• • •

James N. Thickson, appointed local representative of the WPTB subregional office in Oshawa.

• • •

Canada's shipbuilding contracts have a total value of more than $550 millions.

• • •

George A. Daly, Montreal, apappointed executive representative of the supply division, Montreal region.

• • •

Andre Jules Demers, K.C., of Demers, Monette and Lefebvre, named special counsel for the Montreal region.

TRENDS IN THE FIELD OF INVESTMENT

Facilities for studying the frequent changes in the field of investment and the status of securities are available to this organization through its branches: These facilities are at the disposal of our clients at any of our offices:

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MORE
LIFE INSURANCE
NEEDED

Now that we have Dominion, as well as Provincial, Succession Duties on estates passing at death, it is increasingly difficult for executors to find enough marketable assets to pay both duties promptly.

An examination of the assets of most people will disclose a pressing need for more life insurance as the most satisfactory asset for this purpose. You pay for life insurance during your lifetime, out of your income. Consequently, it is no deprivation for your heirs to have it used to pay Succession Duties. In the absence of sufficient life insurance, revenue paying investments may have to be sacrificed—often in an unreceptive market.

Talk this over with your insurance underwriter, and one of our officers.

THE ROYAL TRUST
COMPANY

4218E

So long as men work and dream and plan for the future

So long as men pursue happiness and security for those they love, they will seek assistance in the things that help their dreams come true.

That is one reason why the people of Canada and the United States own more life insurance than any other people in the world ... no other people are so free to plan their own futures.

But even the many millions of Canadians and Americans who own some life insurance do not own enough to carry out all their plans. Remember that in these two countries each year over a million young men and women graduate from school or university ... about 1,500,000 new homes are established ... approximately 2,500,000 babies are born for whom parents wish to provide protection.

Circumstances change constantly, and these changes increase the need of people for life insurance protection. So, while the people of this continent own much life insurance, they need more. However, we believe it is no exaggeration to say that the number of people either unprotected or insufficiently protected would be much greater than it is ... were it not for the life insurance agent.

The agent attracted the public's attention to life insurance in the days when it was new and novel. Because he believed enthusiastically and sincerely in life insurance, he succeeded in imparting that belief to others. Like the crusader he is, the agent had the courage and persuasiveness to help people adopt new ideas.

Without that same kind of salesmanship and service, we would still be driving horses and buggies. Homes would still be without washing machines, telephones, and radios. The idea of almost 70,000,000 people owning life insurance would be too fantastic to talk about.

So long as men work and dream and plan for the future, they need life insurance and the benefits it brings. So long as this is true, they should have, and do have the guidance of trained, experienced agents who are qualified to advise what type and amount of life insurance best fit people's needs and circumstances.

This is Number 46 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

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Leroy A. Lincoln
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CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

War Risk Plan Poses Question

Bill May Arouse Conflict Over Jurisdiction

By STAFF WRITER

OTTAWA.—Will Canada's new nation-wide war risk insurance plan precipitate another insurance jurisdiction squabble?

According to Bill No. 56 which was given first reading on March 27 and aims to make provision for "Insurance of Property against War Risks and the Payment of Compensation for War Damage," the government may enter into an insurance agreement only with "any insurance company registered and holding a certificate of registry from the Minister entitling it to transact the business of fire insurance in Canada."

Clearly this clause (No. 24) excludes Lloyd's Underwriters, or any insurance company or group which is not under federal registry, from entering into an insurance agreement with Ottawa under the Act.

What is not yet clear is whether this limitation is to be construed to mean that Lloyd's (or any other insurance body of non-federal registry) will be barred entirely from participation in any war risk insurance policies.

Poses Question

The question which has been posed to federal officials and to which no satisfactory answer has yet been found is this:

Suppose a home owner or storekeeper in Canada now carries his insurance with Lloyds or some other company of provincial or non-federal registry. Does he have to switch his war risk coverage (which the government underwrites to the extent of $3,000) to a company "registered or holding a certificate of registry," with the federal insurance department?

Official Statement

According to a statement issued by the Department of Finance last week, following a meeting with representatives of fire insurance companies, it is the intention of the government to "avail itself of the services of fire insurance companies and agents in administering the act." But in the regulations appended to the act itself, the government is only authorized to execute policies with such companies as are described in section No. 24 of the act. A similar interpretation seems to be applicable to a further clause in the regulations which authorizes only insurance companies "aforesaid" to collect war risk premiums on behalf of the government.

Scope of Protection

Without any premium the scheme provides protection to home owners up to $3,000 and protection for household goods up to the corresponding limit depending on the size of the household. This protection amounts to a maximum of $1,500 for a married man with three children.

For values over these limits and for all other buildings and effects, insurance will be available to those who want it on a premium basis. The premium will be a flat rate for all Canada regardless of the varying degrees of risk in different localities.

Presumably it will be left to the Banking Committee of the House, to which the bill has been referred, to decide on the interpretation of the act in respect of companies of non-federal registry.

Though it is clear that such companies cannot, as the act now reads, enter into an agreement with the federal government in respect of war risk insurance, federal officials questioned by The Post are not prepared to express an opinion as to whether they are entirely excluded from the new plan.

Affects Canadian Companies

Most insurance interests in Toronto interviewed by The Financial Post interpret the act as excluding all insurance bodies not under Dominion registry from participating in the war risk insurance scheme, directly. This would debar Canadian companies operating under provincial license only, as well as outside groups like Lloyd's which are not licensed by the Dominion.

One insurance man claimed that even if all provincial licensed companies are definitely excluded, the plan does not entail as much hardship as might at first appear. He pointed out that the actual carrying of the risk was by the government, the companies acting only as agents, collecting premiums, issuing policies, etc. As the work is to be done at cost, he saw little pecuniary advantage to those doing it.

Sees Little Effect

Regarding the example of a property owner carrying his regular fire insurance with Lloyd's or some other insurer of provincial registry, he believed it would make little or no difference. The property owner, he urged, probably does his insurance through an agent or broker who in turn places business with insurers of both Dominion and provincial license. Accordingly it would cause no disruption in the individual's insurance affairs. In other cases he claimed it would cause no more unsettlement than when a company places its guarantee insurance with one firm and its fire insurance, or motor truck insurance with another.

Another insurance man saw the proposal plan as likely to disrupt the connections of provincial licensed companies, because property owners would have to deal through Dominion licensed bodies as far as their bomb insurance is concerned and might be tempted to transfer all their business over.

Central Offices Suggested

A third suggested that when the plan is finally worked out, the actual functions performed by the individual company will be of smaller scope than at present anticipated. He thought that eventually central offices would be established in different areas which will probably do all the work such as issuing policies, keeping records, etc. These offices, if established, may be under joint government and company control.

Meanwhile it is felt the bill may undergo considerable revision before it is finally passed. The fact that apart from Lloyd's there are a number of substantial Canadian companies operating throughout the country under provincial license is a factor pointed to by some as likely to bring the provincial registered companies under the plan.

Surety Cover Premiums Up

War Work Brings Larger Demand for Contractors' Bonds

Almost $900,000 was paid in premiums for surety insurance in Canada in 1941 according to the figures released by the Dominion Superintendent of Insurance. Losses totalled $43,167, resulting in a loss ratio of 4.80%. Premiums, losses and the loss ratio in 1941 were higher than in 1940.

The results by companies and groups follow:

(Dominion Licensed Companies)
(A)—Group Experience:

	Net prems. written $	Net losses incurred $	Ratio %
British America-Western			
British America..	10,530	—538	....
British Canadian.	2,209	—98	....
British Empire ..	2,078	—108	....
Imp. Guar. & Acc.	5,733	—369	....
Western Assur. ..	8,520	—547	....
	29,070	—1,660	....
Canadian Surety			
American Surety.	11,945	—799	....
Canadian Surety.	77,374	—4,310	....
	89,319	—5,109	....
Canadian Fire			
Canadian Fire ...	19,214	1,086	5.65
Can. Indemnity ..	71,849	3,367	4.69
	91,063	4,453	4.89
Canadian General:			
Canadian Gen. ...	89,086	6,506	7.30
Toronto General .	92,073	3,009	3.27
	181,159	9,515	5.25
Dominion of Canada			
Cas. Co. of Can. ..	2,010	1,576	78.41
Dom. of Can. Gen.	10,521	1,007	9.57
	12,531	2,583	20.66
London & Lancashire			
Law Union Rock .	120	......	....
Lond. & Lanc. Gr.	13,367	—2,206	....
	13,487	—2,206	....
Northern			
Northern Assur. ..	2,656	524	19.73
Scottish Metrop. .	172	......	....
World Marine	23	......	....
	2,851	524	18.37
Northern British & Mercantile			
North. Br. & M. .	785	......	....
Rly. Passengers .	454	......	....
	1,239	......	....
Norwich Union			
Canada Security .	1,195	435	36.40
Norwich Union ..	9,398	550	5.85
	10,593	985	9.29
Phoenix of London			
London G. & A. ..	28,451	79	0.28
Phoenix Assur. ..	7,318	4,171	57.00
Union Marine	2,807	—2,169	....
	38,576	2,081	5.40
Royal Liverpool L. & G.			
Globe Indemnity .	6,871	—114	....
Liverp'l L. & G.	1,346	—12	....
Royal Insurance..	9,249	—131	....
	17,469	—257	....
Sun			
Sun Insurance ...	551	......	....
Imperial Ins.	140	—351	....
	691	—351	....
U. S. Fidelity			
Fidel. Ins. of Can.	26,689	427	1.60
U. S. Fidel. & G. .	141.676	—8,967	....
	168,365	—8,540	....
(B)—Individual Companies:			
Aetna Casualty ..	60,477	22,125	36.58
Alliance Assur. ..	91	1,377	....
Anglo Scottish ...	128	......	....
Canada Accident .	11,621	—496	....
Can. Mercantile ..	879	......	....
Century Insce. ...	1,408	5	0.36
Commerce Mutual	1,035	......	....
Comm. Casualty .	1,423	......	....
Consolidated	2,971	......	....
Economical Mut'l	102	......	....
Employers' Liab..	31,690	—2,801	....
Employ. Reinsur.	6,252	2,825	45.19
Fidelity & Cas. ..	190	......	....
Gen. Acc. of Can.	40,452	—4,796	....
General Security .	149	4	2.68
Gen. Reinsurance.	961	......	....
Guar. of N. A. ..	14,436	......	....
Guardian of Can.	10.631	2,501	23.53
Halifax	6,899	—179	....
Hartford Acc.	2,207	—68	....
Indemnity Ins. ..	217	......	....
Maryland Cas. ...	779	133	17.07
Metro Casualty ..	374	......	....
National Surety ..	850	2,681	315.41
Ocean A. & Guar.	6,919	12,070	174.45
Pearl	14,160	......	....
Prudential Assur..	994	2,100	211.27
Royal Exchange .	20,156	3,668	18.20
Yorkshire	595	......	....
Union Canton	4,208	......	....
Wawanesa	23	......	....
Grand totals, 1941	899,718	43,167	4.80
1940	753,203	14,376	1.91

Calgary is to have 1942 tax rate of 44 mills, a reduction of one half mill from 1941 and lowest since 1926. This year's budget calls for total expenditures of just under $4 millions and an estimated operating surplus of $7,383. Last year's surplus of $229,848 is included in revenue for this year.

Stratford 1942 tax rate has been struck at 40.6 mills, down half a mill from 1941. Education is still the largest item on the tax bill at 16 mills while servicing of the city's debenture debt takes up almost another 8 mills.

Wind Insurance Shows Gain

Premiums Are Higher While Losses Are Lower in 1941

There was a greater demand for windstorm insurance in Canada in 1941 according to the figures supplied by the Dominion and Ontario departments of insurance. These showed total premiums written by all companies during the year to be $155,635 against $146,721 in 1940. Total losses were lower at $123,018 compared with $133,771, the loss ratio being 79.04 against 91.17%.

1941 Experience

	Net prems. written $	Net losses incurred $	Ratio %
Canadian Cos.:			
Acadia	61	79	129.51
British America .	265	894	337.36
British Empire ..	154	343	222.73
Br. N'western ..	None	None	....
Canada Security	85	76	89.41
Canadian Fire ...	261	52	19.92
Cand'n General .	260	None	....
Economical Mut.	6,044	2,192	36.27
Gore District ...	9,142	2,920	31.94
Halifax	114	101	88.60
Imp. Guar. & Ac.	70	287	410.00
London-Canada .	None	None	....
Mercantile	20	72	360.00
North Empire ...	41	53	129.27
Portage la Prairie	5,587	17,159	307.12
Quebec	None	None	....
Reliance	171	38	22.22
Toronto General	201	None	....
Wawanesa	68,508	44,264	64.61
Western	297	437	147.14
Totals, 1941 ...	91,403	69,771	76.33
1940 ...	60,431	47,863	79.20
British Cos.:			
British Crown .	—28	None	....
British Law	5	None	....
British Oak	None	None	....
British Traders .	75	None	....
Car and General	—2	None	....
China	11	None	....
Employers Liab..	172	81	47.09
Guildhall	73	None	....
Law Union & R.	5	None	....
Legal and Gen..	None	None	....
Lond. & Lanc. In.	482	586	121.58
London Assur. ..	—239	None	....
London G. and A.	41	53	129.27
Merch'ts Marine.	12	13	108.33
Motor Union	—1	None	....
National Prov. ..	—1	None	....
Norwich Un. F.	644	213	33.07
Pearl	308	None	....
Phoenix Assur. .	576	300	52.08
Prudential Assur.	239	None	....
Royal Exchange.	78	None	....
Scottish Union .	—283	196	....
South British ...	43	None	....
State	—1	None	....
Union of Canton	129	None	....
Union Marine ..	41	53	129.27
Totals, 1941 ...	2,376	1,495	62.92
1940 ...	6,435	868	13.49
Foreign Cos.:			
Aetna Insurance .	1,839	4,085	222.13
Agricultural	126	48	38.10
Alliance Insurance	1,172	439	37.46
American Alliance	76	26	34.21
American Ins. ...	—684	24	....
Bee Fire	None	None	....
Boston	24	None	....
Central Union ...	7	10	142.86
Citizens	None	None	....
Columbia	20	26	130.00
Connecticut Fire .	339	206	60.77
Continental Ins. .	2,566	515	20.07
Eagle Fire	17	38	223.53
Equitable F. & M.	68	41	60.29
Eureka-Security .	None	None	....
Fidelity-Phenix ..	2,611	743	28.46
Fire Association ..	130	29	22.31
Firemen's Ins. ...	—5,835	388	....
First American ..	13	23	176.92
Gen. Ins. of Am.	—182	71	....
Glens Falls	1,348	1,828	135.61
Gt. Amer. Ins. ...	812	232	28.57
Hanover	22	None	....
Hardware Dealers	54	None	....
Hartford Fire ...	29,887	17,486	58.51
Home Insurance .	24,242	18,731	77.27
Imperial Assur. ..	41	53	129.27
Indiana L'rmen's	None	None	....
Ins. Co. of N. A. .	268	2,007	748.88
Lum'men's Mut. of Mansfield	None	None	....
Maryland Ins.	83	None	....
Mercury	—175	227	....
Metropolitan Fire	—107	114	....
Michigan Fire ...	60	12	20.00
Mill Own. Mut. of Iowa	—38	6	....
Minnesota Imple't	70	None	....
Nat. Fire of Hart'd	1,087	710	65.32
Nat. Union Fire .	1,135	759	66.87
N.Y. Underwriters	426	53	12.44
Niagara	217	139	64.06
Northeastern	—107	114	....
North River	2	None	....
Northwest'n. Mut.	—2	35	....
Northwest'n. Nat.	—7,740	—10	....
Ph'delphia F.&M.	204	None	....
Phoenix of Hart'd.	561	342	60.96
Provid. Wash'ton,	479	2	0.42
Retail Lumberm's	2,018	99	4.91
St. Paul Fire	3,838	1,401	36.50
Security Ins.	63	16	25.40
Sentinel	15	3	20.00
Springfield	505	109	21.58
United Firemen's.	20	26	130.00
United Mutual ...	None	None	....
United States Fire	135	240	177.78
Westchester	123	3	2.44
World Fire & Mar.	3	303	....
Totals, 1941 ...	61,856	51,752	83.67
1941 ...	79,855	85,040	106.49
Grand totals, 1941	155,635	123,018	79.04
1940	146,721	133,771	91.17

Winnipeg's total assessment for 1942 is $171,802,117 an increase of $1,354,360 over the previous year. The population has increased about 1,200 on the year and now totals 225,437. Properties exempt from taxation at the present time are set at $54.3 millions.

Canada Still "Man's World"

Men outnumber women in Canada by 231,960, according to the new census. As compared with the last previous census in 1931, male population has gained 451,381, or 8.4% during the 10 year period; female population has gained 591,817, or 11.8%. The total population is up from 10,376,786 in 1931 to 11,420,084 in 1941.

Out of Canada's 11,420,084 population in 1941, 5,826,022 were male and 5,594,062 female. How the provinces rank according to this breakdown follows:

	Male	Female	Total
P. E. I.	48,319	45,600	93,919
N. S.	291,482	281,708	573,190
N. B.	230,716	222,661	453,377
Que.	1,661.992	1,657,648	3,319,640
Ont.	1,894,794	1,861,838	3,756,632
Man.	371,795	350,652	722,447
Sask.	470,798	416,949	887,747
Alta.	419,773	368,620	788,393
B. C.	427,191	382,012	809,203
Yukon	3,008	1.679	4,687
N. W. T. ...	6,154	4,695	10,849
Canada	5,826,022	5,594,062	11,420,084

Plate Glass Losses Up

Increase More Than Offsets Rise in Premium Income

Premiums written in plate glass insurance were higher in 1941, the increased demand being due mainly to higher costs and greater difficulty in getting plate glass windows replaced. Premiums and losses in 1941 supplied by the Dominion and Ontario departments of insurance follow:

1941 Experience

	Net prems. written $	Net losses Incurred $	Ratio %
Canadian Cos.:			
British America .	3,941	2,061	52.30
British Canadian	3,317	1,511	45.55
British Empire .	3,599	1,223	33.98
British N'western	2,883	1,606	55.71
Canada Accident	13,518	5,312	39.30
Canada Security	4,200	3,701	88.12
Canadian Fire ..	4,234	1,693	39.99
Candn. General .	15,983	10,041	62.82
Candn. Indemnity	17,468	10,584	60.59
Canadian Surety	11,256	6,312	56.08
Casualty	10.948	5,175	47.27
Consolidated ...	3,293	2,502	75.98
Dominion Fire	5,698	2,917	51.19
Dom. of Can. Gen.	18,860	12,622	66.92
Economical	1,242	189	15.22
Federal Fire	8,925	4,656	52.17
Fidelity Insur. .	7,507	5,156	68.68
Gen. Acc. of Can.	18,546	12,729	68.63
Gen. Security ..	8,482	3,718	43.83
Globe Indemnity	14,491	5,554	38.33
Gore District ...	308	114	37.01
Guardian Insur.	14,702	6,949	47.27
Halifax	8,241	7,164	86.93
Hand in Hand*	1,750	933	53.31
Hudson Bay ..	None	None	....
Imperial G. & A.	5,649	1,700	30.09
Imperial Insur. .	4,114	2,797	67.99
London & Lancashire Guar. ...	10,986	4,634	42.18
Occidental Fire	1,075	613	57.02
Pilot*	4,168	1,293	31.02
Toronto General	17,685	8,262	46.72
Wawanesa	2,721	1,711	62.88
Western	7,147	3,196	44.72
Totals, 1941	256,937	138,628	53.95
1940	241,603	121,783	50.41
*Provincial license.			
British Companies:			
Alliance Assur.	—11	16	....
Anglo-Scottish .	457	172	37.64
Atlas	4,370	3,154	72.17
Century	2,295	1,040	45.32
Com. Un. Assce.	3,254	1,404	43.15
Eagle Star	1,911	1,404	73.47
Employers' Liab.	19,097	10,192	53.37
Gen. Acc. F. & L.	5,457	3,353	61.44
Guildhall	2,487	1,101	44.27
Law Union & Rk.	2,311	1,004	43.44
Legal & Gen. ..	9,997	8,797	88.00
Liv. & Lon. & G.	1,610	617	38.32
London & Prov.	1,020	213	20.88
Lond. & Scottish	1,007	628	62.36
London Assur. ..	973	415	42.65
London Guar. ..	5,995	2,597	43.32
Lloyds	279	52	18.63
Motor Union ...	1,927	1,107	57.45
National Prov. ..	13,301	8,060	60.60
North British ..	5,304	1,995	37.61
Northern	11,081	4,021	36.29
Norwich Union .	16,017	7,762	48.46
Ocean Accident .	55.772	27,559	49.41
Phoenix Assur. .	9,859	4,115	41.74
Prudential Assur.	10,194	5,139	50.41
Queensland	483	343	71.01
Rly. Passengers .	3,620	955	26.38
Royal Insurance	13,716	5,257	38.33
Scot. Metropolitan	953	860	90.24
South British ..	None	None	....
Southern	1,108	680	61.37
Sun	2,870	1,232	42.93
Union Assurance	2,105	934	44.37
Union of Canton	10,071	5,222	51.85
Union Marine ..	3,722	1,019	27.38
World Marine ..	3,566	1,517	42.54
Yorkshire	6,699	3,246	48.45
Totals, 1941 ...	234,877	117,188	49.79
1940 ...	245,167	109,174	44.53
Foreign Companies:			
Comm. Casualty.	439	34	7.74
Contin. Casualty	5,916	3,249	54.92
Fidelity and Cas.	None	None	....
Gen. Cas. of Am.	5,684	2,756	48.49
Great Am. Indem.	6,386	3,253	50.94
Hartford Accid. .	7,871	2,478	31.48
Indemnity Insur.	5,564	2,026	36.41
Lumbermen's Mutual Cas. ..	4,668	1,425	30.53
Maryland Cas. ..	6,369	3,587	56.32
Metropolitan Cas.	22,264	8,606	38.65
Northwest Cas. .	2,379	1,227	51.58
Travelers Indem.	6,832	4,073	59.62
U.S. F. & G. ..	8,805	3,842	43.63
Zurich	6,888	3,206	46.54
Totals, 1941 ...	90,005	39,762	44.15
1940..	89,063	45,790	51.41
Grand totals, 1941†	581,879	295.578	50.79
1940	575,833	276,747	48.06

†Includes Lloyd's.

Insurance Notes

Arthur R. Gremel has been appointed acting branch manager of the Manufacturers Life Insurance Co. at Saginaw, Mich., succeeding Gomer J. Reeves, who has returned to personal production.

Mr. Gremel is a native of Sebewaing, Mich. He achieved a good record, both as a life underwriter and as agency assistant, in the branch of which he now takes charge. Since going on a full-time contract in May, 1937, his name has appeared each month on the honor roll of the company. He was appointed agency assistant at Saginaw in 1939.

The U. S. division of the Manufacturers Life now has in force more than $139 millions of life insurance and deferred annuities and last year wrote 31% of the company's new business.

G. A. Prang has been appointed manager of the Winnipeg branch of the Canada Life Assurance Co. S. M. Scott, branch supervisor continues in that capacity. Mr. Prang has been associated with the Canada Life since 1923 and has had many years experience both in Ontario and western Canada. For the past six years he has been located at Brantford, Ont., where he was district manager of the central Ontario branch.

* * *

L. P. Brace formerly field assistant of the Toronto City branch of the Canada Life Assurance Co. has been appointed branch supervisor and P. J. Harwood has been named field assistant. Mr. Brace has been with the Canada Life since 1937 in the Toronto City branch. He has been a member of the senior production club for the past four years.

P. J. Harwood joined the head office staff of the Canada Life in 1930. He was branch secretary in New Brunswick and later branch cashier in New York. While in New York he was one of the founders of the Life Agency Cashiers' Association of New York and its first president in 1939.

* * *

R. Forster Smith who has just retired from the Canadian management of the Royal-Liverpool group of insurance companies was recently presented with a silver tray by the agents of the group in Toronto.

The presentation took place at a dinner, attendance at which was restricted to Royal Liverpool agents only, with the exception of Mr. Smith himself and James Matson who succeeds him as Canadian manager. The dinner was organized by A. J. Mylrea, who also presided. Addresses were given by Mr. Mylrea, J. E. Proctor, chairman of the Canadian Federation of Insurance Agents, Sam McAdam and Alfred McGuire, ex-mayor of Toronto and a Royal agent for 40 years. E. L. McLean made the presentation of the tray. A feature of the gathering was the reading by Mr. Mylrea of a farewell poem to Mr. Smith, composed by Colin E. Sword, manager for Canada of the Union of Canton.

* * *

The Great West Life Assurance reports the first three months of 1942 to have been one of the best first quarters in its history. Gains over last year were reported by 25 of the company's branches. The Winnipeg agency led all Canadian branches for the three-month period and placed second to the Chicago agency as leader for the entire company.

Fire Losses Are Lower In Many Classifications

Fire loss ratios in 15 out of 27 classifications into which the Dominion Department of Insurance divides fire insurance risks showed reduction in 1940 as compared with the previous year, according to the annual statement of experience just issued from Ottawa. The ratios are worked out as percentages of losses incurred to premiums earned.

Classifications which showed the greatest improvement included breweries and malt houses, sawmills and tanneries. The poorest showing was made by pork packing and meat curing houses.

Brewery Losses

The loss ratio of breweries and malt houses for 1940 was 3.8% compared with 77.49 the year before. The 1939 loss ratio, however, was abnormal, the average for the years 1936 to 1938 being a little over 2%. One reason for the general downward trend of brewery fire loss ratios in recent years (1939 excepted), is the elimination of straight malting operations from many breweries, this work being done as a separate operation frequently. Another is the improved construction of buildings and better fire prevention methods. Some of the larger concerns, it is stated, have spent much money in fireproofing their plants, with resulting lowering of fire hazards. Saw mill and tannery fire losses have also been reduced by the same factor.

Increase in pork-packing fire loss ratio from 64.44% in 1939 to 331.92 in 1940 brought the figure far above the average for recent years.

One Loss of $182,000

One large fire in Edmonton contributed $182,945 to the total loss of $241,350 in this classification for the year. Fire insurance men say that often when a fire occurs in a plant of this type, the loss is relatively heavy because smoke spoils the food products in treatment or in storage.

Dwelling fires in the main show a steady decline probably due to better fire prevention and fire protection measures and greater care by the public. Residential properties usually represent about one third of the total fire insurance written in Canada. Retail stores are another large classification accounting for about one sixth of the total premiums. They showed a loss ratio slightly above that of the previous year and the five year average.

The fire loss ratio in sprinklered risks was slightly below that of 1939. This classification has been showing a steady decline in recent years. Total premiums written on sprinkler equipped property in 1940 were $4.3 millions compared with $3.8 millions in the previous year. The monetary loss was also higher at $1.1 million against $1 million the year before. But the increase in premiums was greater than in losses.

Figures for premiums written and losses incurred in 1940 with comparative loss ratios follow.

	Net Premiums Written $	Net Losses Incurred $	Ratio to Net 1940 %	Net Losses Prems. 1939 %	Incur. Written 5-Year Aver. %
Dwellings:					
In protected municipalities	8,348,465	2,946,034	35.29	35.40	33.86
In unprotected municipalities	3,316,799	1,358,406	40.96	45.60	44.56
All other dwell. & farm props.	2,208,439	1,011,760	45.81	45.32	47.36
All other 2- and 3-year risks	2,176,629	770,100	35.38	52.60	41.70
Mercantile risks:					
Wholesale stores, warehouses & contents	1,080,218	541,473	50.13	33.02	38.55
Retail stores and contents	7,654,675	2,958,362	38.65	37.60	35.89
All other mercantile risks	675,523	151,393	22.41	20.48	21.24
Breweries and malt houses	79,734	3,032	3.80	77.49	17.81
Boot and shoe factories	29,639	10,622	35.84	40.07	45.70
Canning factories	225,206	42,856	19.03	13.58	50.18
Confectionery & biscuit factories	42,077	9,181	21.84	31.92	31.71
Flour and oatmeal mills	144,689	66,568	46.01	35.91	49.60
Grain elevators	1,089,843	180,122	16.53	10.42	27.65
Laundries	101,753	48,341	47.51	44.93	30.36
Sawmills	357,304	142,681	39.93	129.28	55.53
Lumber yards	736,144	177,735	24.14	25.00	24.74
Machine shop and metal workers	480,224	272,244	56.69	44.24	40.14
Mining risks	905,893	271,081	29.92	26.62	39.54
Pork packing and curing houses	72,714	241,350	331.92	64.44	82.40
Pulp and paper mills	116,320	26,564	22.84	64.15	57.36
Street car barns	79,371	11,938	15.04	20.75	24.83
Tanneries	13,015	—8	....	7.81	46.60
Woodworking factories	402,361	282,358	70.18	42.75	51.81
Woollen and knitting mills	48,961	40,001	81.70	107.20	57.21
All other manufacturing risks	1,769,888	739,313	41.77	43.98	40.56
All other 1-yr. short term risks	6,097,848	2.412,132	39.56	41.68	38.65
Sprinklered risks	4,350,918	1,141,908	26.25	26.39	30.97
Totals, 1940	*42,876,239	*15,951,730	37.20		
1939	42,098,479	16,191,909	38.46		

*Including $271,589 premiums and $94,163 losses which could not be allocated to any one class or province.

Ontario Life Insurance Shows 6.4% Increase

Life insurance in force in Ontario at the end of 1941 at $3.4 billions was 6.4% higher than at the end of the previous year, exceeding the percentage gain of 4.8% shown by the Dominion as a whole.

New insurance written in Ontario during the year also was higher amounting to $329.9 millions compared with $276.6 millions in the previous year.

Figures for the different companies at the end of 1941 follow:

Name	Business in Force 1941 $	1940 $
Joint Stock		
Aetna	97,637,461	84,275,516
Canada	246,107.402	238,630,250
Commercial Life	3,006,563	1,350,451
Comm. Union ..	40,253	40,204
Confederation ..	125,293,192	119,926,368
Continental Ins.	23,008,984	21,616,656
Crown	57,132,998	53,843,333
Dominion	70,309,441	68,629,137
Dom. of C. Gen.	9,055,182	8,348,909
Eaton, T.	17,315,352	16,611,404
Empire	23,968,728	22,745,612
Equitable of C.	31,079,783	30,051,603
Excelsior	53,609,510	50,547,170
Great West	148,268,205	145,346,830
Imperial	108,974.778	104,508,992
Liv. & L. & G.	40,513	38,023
London	502,942,226	454,664,534
Loyal Protective	109,946	93,327
Manufacturers .	123,822,263	119,747,681
Monarch	16,931,899	15,538,675
Montreal	11,557,327	10,533,048
Mut. L. & Citiz.	7,289,948	7,641,526
National of Can.	20,265,220	19,127,402
Northern	22,550,419	21,272,340
Occidental	9,187,807	6,919,861
Prud. of Eng. .	18,054,647	16,009,931
Royal	7,669,848	7,778,384
Sauvegarde	4,330,629	3,970,397
Sovereign	10,442,294	8,981,740
Sun	333,405,222	319,609,325
Travel. of H'tford	49,076,238	46,076,111
Western	2,260,935	2,158,198
Mutual		
Metropolitan ..	518,007,271	476,677,147
New York	39,217,688	39,998,402
Prud. of U. S. ..	318,145,248	296,888,034
Royal Guardians.	2,546,556	2,509,508
Standard*	13,253,640	13,116,192
Toronto Mutual	9,022,673	8,024,340
Other		
Mutual of Can.	311.774,505	298,415,158
North American	93,066,077	89,325.815
Norwich Un. L.†	8,208	2,208
Totals	3,459,787,079	3,252,147,913

*For fiscal year ending Nov. 15, 1941.
†Licensed in Ontario June, 1941.

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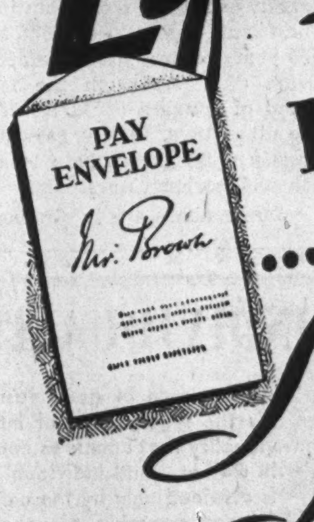

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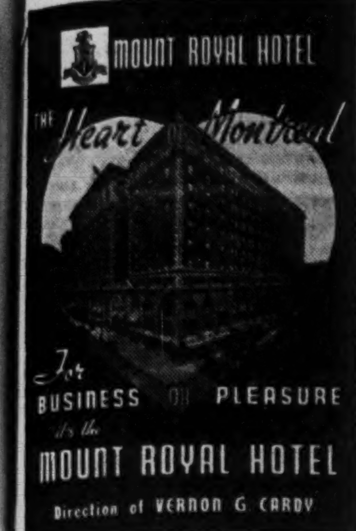
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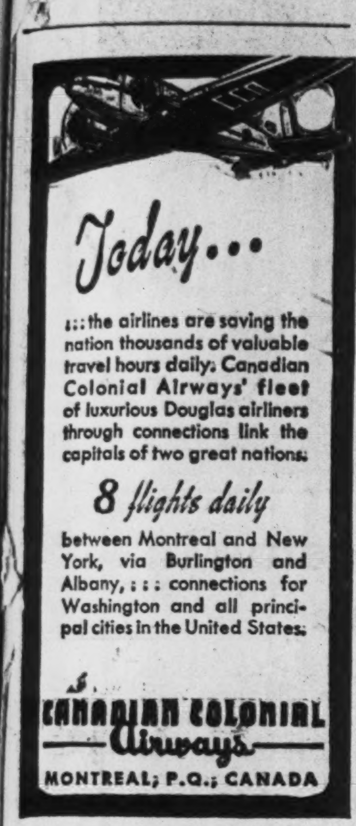
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How Profit Limitation Works in Subsidy Plan

By STAFF WRITER

OTTAWA.—How will the new, revolutionary profits control plan announced recently by the Wartime Prices and Trade Board, be applied to business?

This is a question widely asked since the plan was first announced in connection with a list of grocery items eligible for an "accountable advance" under the price ceiling.

Here is an explanation given this week to The Financial Post:

The principle underlying the limit placed on payment of a subsidy to grocery manufacturers is this: To the extent that the recipient's taxable income (including subsidy at its maximum) exceeds 131 2/3% of standard profits as defined under E.P.T., then a refund of the subsidy will become due and payable to the Commodity Prices Stabilization Corporation, Ltd.

How it Works

Application of this principle may be seen in the following two examples of how maximum subsidies may be determined:

	Example A	Example B
1. Assume:—		
Standard profits as defined by Excess Profits Tax Act	$100,000	$100,000
Taxable income for year ending Dec. 31, 1942, exclusive of any subsidy	130,000	90,000
Add: Unadjusted maximum amount of subsidy	20,000	20,000
	$150,000	$110,000
2. Maximum profits before taxes—131⅔% of standard profits as above	$131,666	$131,666
3. Unadjusted maximum amount of subsidy to be therefore reduced by	$ 18,334	....
4. Determination of correct amount of subsidy — Maximum amount of subsidy as above	20,000	20,000
Deduct—Reduction per (3) above	18,334	....
Amount of subsidy retainable	$ 1,666	$ 20,000
Deduct—subsidy paid on account (90%)	18,000	18,000
Refund due to Commodity Prices Stabilization Corp. Ltd.	$ 16,334	....
Balance payable by Commodity Prices Stabilization Corp. Ltd.	....	$ 2,000
5. Taxable income for fiscal year per Income Tax Form T2 filed on April 30, 1943	$131,666	$110,000

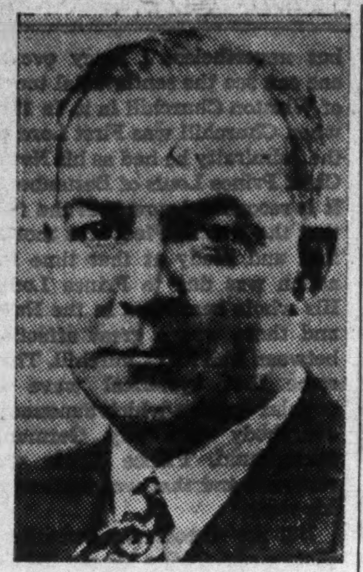
For accounting purposes, it is pointed out that the recipient of a subsidy or "accountable advance" under this order (Number 116) may not know how much of the subsidy he is entitled to retain until his books are closed for the fiscal year and until he computes his taxable income and measures it (together with the subsidy at its maximum) against 131 2/3% of standard profits as defined under the Excess Profits Tax Act.

Keep Separate Account

It is suggested that for accounting purposes, the recipient of the advance should credit the subsidy received during the fiscal year to a separate liability account on his books in the name of Commodity Prices Stabilization Corp. Once the amount of subsidy payable is determined, the liability can be debited and the appropriate profit and loss account credited.

Any credit balance in the account will then become due and payable to the Stabilization Corp. at the date on which federal income tax forms (T2) are filed by the recipient for the fiscal year in question.

If the manufacturer finds his taxable income for the fiscal year (including the subsidy at its maximum) is less than 131 2/3% of standard profits, application may be made to the Corporation for the remaining subsidy 10% of the subsidy. (The accountable advance is 90% of the subsidy payable).



HEADS ENGLISH ELEC.

Andrew S. Tait who has been elected president of English Electric Co. Mr. Tait, who was promoted from general manager to vice-president and general manager a year ago, succeeds D. H. McDougall as president.

Belnap Reports Higher Costs Require Caution

From Our Own Correspondent

MONTREAL. — Conserving and strengthening the financial position of the company was necessary because of rising costs and uncertainty of outlook, according to L. J. Belnap, president of Consolidated Paper Corp., speaking at the annual meeting of shareholders.

After referring to an increase of $880,220 net profit for the past year, Mr. Belnap said a slight increase was shown notwithstanding the fact that the physical volume of business handled was 11% higher than the previous year and the dollar volume was 12% higher. Greater volume usually reflects higher profits, he added, but this result reflected higher costs and taxes.

Higher Costs Likely

Mr. Belnap said cost of wood, materials, transportation and labor were greatly in excess of the previous year and indications are further increases in the current year.

Shipping costs also have been greatly increased. Overseas, inland and coastal transportation has badly demoralized this form of transportation for manufactured products as well as some of the raw materials required, such as coal, sulphur, etc. He pointed out there had been a general increase in rail freight rates in the United States effective March this year, which will further increase costs.

Exchange is Temporary

For the past year, the shareholders were told foreign exchange contributed $1,203,621 toward profits, after deducting $221,653 pertaining to interest on bonds. The gross amount received was slightly less than in the previous year. However, this form of income is a considerable proportion of the net income and Mr. Belnap said its continuity is by no means certain and "it should be realized that it is distinctly of a transitory character."

In accordance with the sinking fund provision of the trust deed, the company handed to the trustee on March 1, 1942, mortgage securities to the amount of $1,844,068 par value for retirement. This brought the funded debt down to $47,418,390, a decrease of $3,988,510 during the last two years.

Pulpwood shortage has threatened most of the pulp and paper producers in this country because of a shortage of labor. The labor shortage could have been avoided, said Mr. Belnap, if there had been continuity of work on the part of those employed in the production of pulpwood.

Discusses Price Policy

Mr. Belnap dealt in detail with the policy respecting the selling price of newsprint papers. He said:

"Our cost of newsprint paper since the outbreak of war has increased several dollars per ton and if during the current year, production and sales volume decrease appreciably, the cost would be very much greater.

"Because of the uncertainties ahead due to ever changing wartime conditions, it is increasingly hazardous in the making of forward commitments, but some must be made.

"For example this month a decision must be made on the quantity of wood to be provided for the operation of mills for the period from June 1, 1943, to June 1, 1944. This, of course, involves forecasting sales of pulp and paper in that period.

"The cost of wood will be the highest in 15 years and a too liberal forecast should the price decline because of lower production of pulp and paper or other unforeseen circumstances, might result in serious inventory losses. Furthermore, pulpwood and stock piles for too long a period deteriorate considerably."

Mr. Belnap reported that only such maintenance is being carried on as is absolutely necessary to keep the equipment in efficient operation.

Second Inter-State Royalty Corp. reports investments in oil royalties had a book value of $278,043 as at March 31, 1942. Gross revenue from royalty income since acquisition amounted to $59,478 to Feb. 28 last and the reserve for depletion totalled $16,357 to the same date. Accumulated royalty income for 1942 to Feb. 28 amounted to $626.

B. C. Coal Mines Are Tackling Challenge of New Demand

From Our Own Correspondent

VANCOUVER. — Coal is being called upon to meet a growing deficiency of fuel oil in British Columbia. If it fails to do so, the drift of labor to other industries will be chiefly responsible.

Coal mines have responded rapidly to the call for increased production. In March output was up 50,000 tons, Vancouver Island mines contributing about half the increase. The Nicola-Princeton mines produced 12,855 tons, compared with 9,806 tons in the corresponding period last year, and East Kootenay mines boosted their output from 74,703 tons to 94,997 tons. For the first time, the Peace River district entered the coal production records.

Private consumers of coal are being urged to place their orders early so as to avoid congestion when the cold weather returns, and advance sales of coal will probably be heavier this year than ever before. After June 1 all office buildings, institutions, schools, hotels, restaurants, apartment houses, etc., in British Columbia will be required to discontinue the use of fuel oil and this will throw a tremendous load on the coal industry, whose spokesmen often complained of the competition of oil in the days before the present emergency.

Expect 800,000 Tons

Despite all increasing demands, the coal industry should be able to meet the situation, according to the operators. The collieries on Vancouver Island are about 300 men short of required strength, but if the exodus of mine workers does not continue, the pits will produce during the ensuing year about 800,000 tons of coal, allocated to national defense, railways, gas making, general industrial and domestic use.

"If this volume of coal (800,000 tons), plus what normally reaches this coast from east of the Rocky Mountains, is not sufficient, in collaboration with the Coal Administrator of Canada, arrangements will be made to divert tonnage from that currently moving eastward from the Alberta and eastern British Columbia storehouses," declares an executive of Canadian Collieries (Dunsmuir) Ltd., which operates Vancouver Island Coals, Ltd., and Western Fuel Corporation of Canada.

This would mean that the tonnage so displaced in central Canada would have to be supplied from the United States or elsewhere.

T. R. Harrison, Toronto, was elected a director of G. W. Hendershot Corrugated Paper Co., Hamilton. Other directors were re-elected.

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Company Reports

Ottawa Car

Ottawa Car & Aircraft Ltd. reports "substantial" volume of business handled in 1941. Toward the end of the year, productive activity fell off due to necessary lag between preliminary engineering and production. Additional business has been awarded which now ensures a continued satisfactory rate of production.

Harold W. Soper, president, reports that net profit has been "somewhat affected by certain adjustments which your directors considered it advisable to make, and, in their opinion, adequate provision has been made for possible adjustments on outstanding accounts and contracts."

Net profit last year was equivalent to 60 cents a share on the 90,000 common shares outstanding against 56 cents a share in 1940.

Income and Surplus Account Years Ended Dec. 31	1941	1940
	$	$
Operating profit	295,845	260,811
Add: Other income	13,445	17,323
Total earnings	309,300	278,134
Less: Exec. remuner.	25,697	17,304
Directors' fees	8,400	7,400
Legal fees	2,893	2,475
Depreciation	173,728	135,975
Income & E. P. taxes	45,000	27,800
Prov. for expense	......	37,156
Net profit	53,593	50,024
Less: Common divds.	54,000	36,000
Surplus for year	*417	14,024
Add: Prev. surplus	80,315	81,732
Misc. adjust.	1,234	1,884
Less: Adjustments	......	17,325
Earned surplus fwd.	78,663	80,315
*Deficit.		
Earned per share:		
Common	$0.60	$0.56
Paid	0.60	0.40
Working Capital	$	$
Current assets	1,086,127	1,479,534
Current liabilities	834,201	1,442,303
Working capital	251,926	37,231
Balance Sheet Changes	$	$
Accounts receivable	900,040	1,179,246
Inventories	828,378	297,670
Less: Progress paymts.	643,537	......
Bank loans	298,800	822,913
Est. profit uncompleted orders	100,408	184,398

London Realty

London Realty Co., owning and operating the Hotel London, London, Ont., had higher operating receipts in 1941 than in 1940 but net profit for the year was reduced to $1,798 from $3,315 in 1940. First mortgage bonds outstanding have been reduced by $61,500, without allowing for company's own bonds held in treasury. Arrears of dividends on the preferred stock total $220,500, or 10½ years at 7%. Full sinking fund requirements on the bonds have been met.

Income and Surplus Account Years Ended Dec. 31	1941	1940
	$	$
Operating receipts	505,515	481,590
Add: Other income	2,049	1,676
Less: Other exps.	379,745	351,348
Total earnings	127,819	131,918
Less: Depreciation	55,925	57,586
Interest	58,897	62,417
Income & E. P. taxes	11,199	8,600
Surplus for year	1,798	3,315
Less: Prev. deficit	31,525	37,346
Tax adjustment	674	56
Add: Disc. bonds red.	1,658	2,562
Deficit forward	28,743	31,525
Working Capital	$	$
Current assets	15,015	18,586
Current liabilities	51,592	46,959
Excess of current liabilities	36,577	28,373
Balance Sheet Changes	$	$
Cash	3,139	7,490
Co's. bonds held	8,000	14,433
Bank loans	14,774	......
Funded debt	846,400	907,900

Loblaw Groceterias Inc.

Loblaw Groceterias, Inc., reports net trading profit for the year ended Feb. 28, 1942, double that of the previous year. Total sales were 43% higher. Heavier taxes, however, keep the gain in net to smaller proportions and leave $1.31 a share available for the common against $1.02 a share in 1941. Shares outstanding have increased to 342,492 from 339,492 a year earlier.

During the past year the company continued to modernize existing stores, open larger units to replace smaller ones, close some smaller units and open a few larger markets in new neighborhoods. A year ago 118 stores were operated. Four of these have been substantially enlarged; five others closed and replaced by a larger market in the same vicinity. Five small volume units were closed and not replaced and four new stores opened. This left the company with 117 stores operating at Feb. 28 last. Of the total stores 104 are in New York state, with 34 in Buffalo and suburbs, 18 in Rochester and 13 in Pennsylvania.

Income and Surplus Account Years Ended	Feb. 28 1942	Mar. 1 1941
	$	$
Net earnings	1,094,464	530,079
Less: Inc. & E. P. tax.	605,008	153,901
Mdse. inventory res.	40,000	30,000
Net profit	449,456	346,178
Less: Com. divds.	308,241	271,588
Surplus for year	141,215	74,590
Add: Prev. surplus	103,708	29,118
Earned surplus fwd.	244,923	103,708
Earned per share:		
Common	$1.31	$1.02
Paid	0.90	0.80
Working Capital	$	$
Current assets	2,924,819	1,875,819
Current liabilities	1,960,740	1,001,418
Working capital	964,079	874,401
Balance Sheet Charges	$	$
Cash	456,179	345,963
Inventories	2,353,519	1,500,102
Bank loans	300,000	150,000
Fixed assets	2,149,455	1,945,670
Less: Depreciation	652,169	599,320

Medicine Hat Greenhouses

Medicine Hat Greenhouses Ltd. reports a net loss of $2,029 in 1941 after payment of bond interest and all charges. There is $27,625 in arrears of interest on the company's 3% first mortgage bonds, due 1960. Sinking fund payment effective from Feb. 1, 1940, have not been carried out.

Income and Surplus Account Year Ended Dec. 31, 1941	$
Sales	113,873
Less: Cost of sales	70,994
Operating profit	42,879
Add: Other income (net)	576
Less: Selling expenses	4,862
Admin. & gen. exps.	11,655
Total earnings	26,938
Less: Depreciation	19,217
Interest	9,750
Net loss	2,029
Add: Previous deficit	53,762
Deficit forward	55,791
Working Capital	$
Current assets	85,665
Current liabilities	31,715
Working capital	53,950

Canadian Airways

Operations profit of Canadian Airways Ltd. in 1941, before depreciation expense, amounted to $109,829 compared with $21,187 in 1940. Net loss after all charges is more than $100,000 less than in 1940. Balance sheet shows net working capital of $71,428 compared with an excess of current liabilities amounting to $68,736 a year earlier.

During 1941 the company bought three aircraft, five engines and other equipment which cost $77,287. Five aircraft and seven engines were retired during the year. The company now operates 39 aircraft, compared with 41 at the end of 1940. Operating statistics for the last two years compare as follows:

Operating Statistics	1941	1940
Miles flown	2,008,972	2,283,926
Hours flown	18,754	21,764
Passengers carried	25,434	29,759
Mail flown, lb.	519,750	627,924
Goods, lb.	6,972,999	5,851,023
Passenger miles	3,311,156	3,513,074
Pound-miles, mail	94,952,748	101,369,864
Pound-miles, goods	930,586,251	718,393,756

The president's report refers to operating arrangements made between the company and Yukon Southern Air Transport, Ginger Coote Airways, Mackenzie Air Service, Wings Ltd., and Starratt Airways & Transportation, designed to eliminate duplicate services, facilities and chaotic competition. Canadian Airways retired from the Maritimes last year, following cancellation of airmail contract covering about 35% of the company's revenue in the Maritimes. Canadian Pacific Railway Co. has acquired a majority interest in the company. A partly owned subsidiary, Quebec Airways Ltd., established regular service between Montreal, Three Rivers and Quebec and has obtained a mail contract.

Three schools are now operated by the company under the British Commonwealth Air Training Plan, latest being No. 8 Air Observers School at Ancienne Lorette, Que. The company also operates an engine overhaul depot at Stevenson Airport, Winnipeg, for the Department of Munitions and Supply. It was concluding arrangements at the year-end to establish an aircraft overhaul depot at Cap-de-la-Madeleine, Que.

Consol. Income and Surplus Account Years Ended Dec. 31	1941	1940
	$	$
Operating profit	1,233,823	1,169,731
Add: Other income	19,119	460
Less: Oper. & admin. expenses	1,094,063	1,116,475
Total earnings	158,879	53,716
Less: Exec. remuner.	25,539	21,959
Legal fees	4,391	10,109
Retirement exp.	149,843	148,190
Income & E. P. taxes	3,000	6,661
Loss for year	23,895	134,124
Add: Prev. deficit	24,995	1,753,841
Goodwill w/o	......	951,804
Organ. exp. w/o	......	53,476
Less: Recovery on rec. w/o	......	31,661
Capital reduction	......	2,704,089
Surplus from sale of shares	......	132,500
Deficit forward	48,890	24,995
Working Capital	$	$
Current assets	716,657	351,141
Current liabilities	645,229	419,877
Working capital	71,428	*68,736
*Excess of liabilities.		
Balance Sheet Changes	$	$
Cash	117,807	36,126
Investments	89,887	......
Accounts receivable	406,979	176,177
Bank loans & notes	167,709	139,300
Deferred liab.	113,364	145,081

Canada Crushed Stone

Canada Crushed Stone Ltd., Hamilton, reports net profits for 1941 equivalent to 30 cents a share on its 63,740 common shares compared with 59 cents a share in 1940. Dividends of 40 cents a share were paid in each year. Working capital shows improvement with cash of $109,000, more than double total current liabilities.

Income and Surplus Account Years Ended Dec. 31	1941	1940
	$	$
Net earnings	127,003	164,387
Depreciation	91,487	101,126
Interest	799	2,501
Income & E. P. taxes	15,768	22,927
Net profit	18,948	37,833
Less: Common divds.	25,496	24,314
Surplus for year	*6,548	13,519
Add: Prev. surplus	879,547	865,739
Adjustments (net)	......	289
Earned surplus fwd.	872,999	879,547
*Deficit.		
Earned per share:		
Common	$0.30	$0.59
Paid	0.40	0.40
Working Capital	$	$
Current assets	317,224	264,732
Current liabilities	43,889	62,133
Working capital	273,335	202,599

Robert Gair

Robert Gair Co., and its United States subsidiaries, report a profit of $360,250 for the quarter ended March 31, 1942, after depreciation, interest, dividends of subsidiary companies and provision of $878,000 for income and excess profits taxes but before interest on income notes. This compares with the profit of $175,322 in the corresponding quarter of 1941.

Gair Co., Canada, wholly owned subsidiary of Robert Gair Co., reports for the March 31, 1942, quarter, a profit of $83,446 in Canadian funds after all costs and income taxes, comparing with $46,138 in the same quarter of 1941. The earnings of the Canadian subsidiary are not consolidated in the report of the American parent company.

A Message to War Plant Operators . . .

3 REASONS WHY you should use more CEMENTED CARBIDE TOOLS

(1) To Increase Production. (2) To Reduce Manufacturing Costs.
(3) To Free Machines for Additional Output.
And, at the same time, to Conserve Tungsten

Cemented carbide tools should be used wherever possible in Canadian war plants:

Because they can substantially increase production, with no additional machine tools, or increase in personnel : : :

Because they lower production costs : : : last longer . . . need less frequent set-ups : : : cause less idle machine time : : :

Because they can free at least three machines out of every twelve for additional output . . .

And they conserve vitally needed tungsten — supplies of which have been cut drastically by the war in the Pacific.

Check over every machining operation in your plant. See that cemented carbide tools are being applied in every possible way. Remember — you can obtain *immediate delivery* of the "*standard*" cemented carbide tools you need. A range of "standard" tools is available covering 80% of all your requirements. Write for lists and information TODAY.

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CCI-42

Predicts Flights to Europe Every Hour – On the Hour

When the war ends, six or eight companies will establish trans-Atlantic commercial flying services, according to W. A. Patterson, president of United Air Lines, speaking to the Central States Group Conference of the Investment Bankers Association of America at Chicago. He expects two or three of the companies will be American, and the rest "representing foreign countries."

"That trans-oceanic air operation will be economically successful is at least suggested," he said, "by the fact that for the cost of an ocean liner of the 'Queen Elizabeth' class it would be possible to build enough long-range aircraft to operate transatlantic schedules hourly on the hour, in each direction, from 9 o'clock in the morning to 10 o'clock at night, and that fleet of airplanes operating on such schedules could accommodate approximately one half of the normal flow of Atlantic business prior to the war."

Mr. Patterson predicted that there will not only be a "tremendous expansion of international air commerce" but an "extraordinary growth in domestic flying."

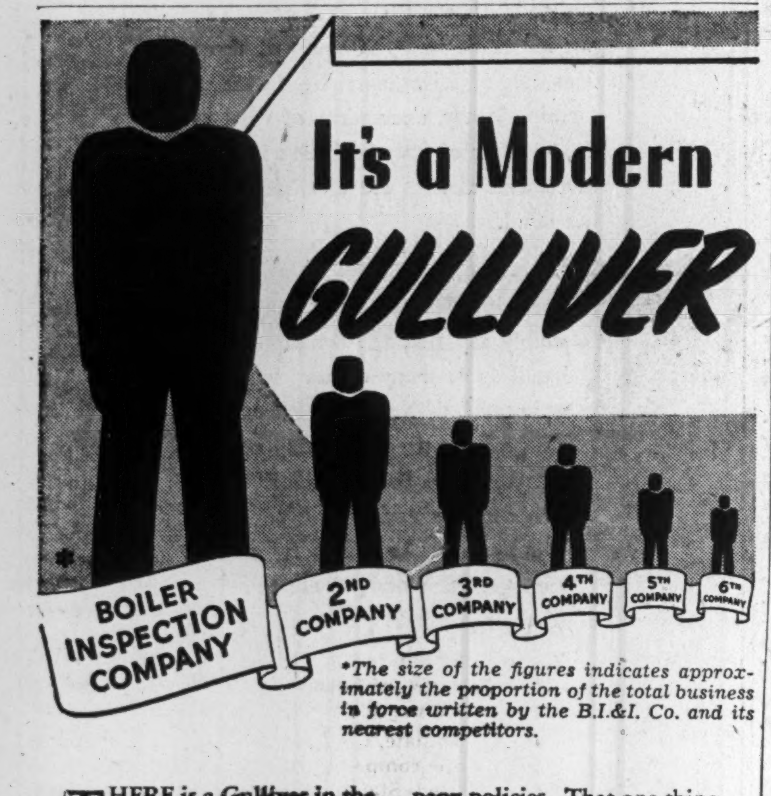
"It is possible," he said, "to visualize the effect of air transportation upon our social and economic lives tomorrow by realizing that with the airplane we have been able to reduce the size of the U. S., measured in terms of time, to the size of the State of Pennsylvania. The airplane will weld our nation into a group of neighboring communities."

Mr. Patterson estimated that at present aircraft carry only 20% of the potential first class passenger market. Airlines carry 15% of the first class mail in the U.S. and 1% of the express.

T.C.A. Air Express To Nfld. Starts

From Our Own Correspondent

MONTREAL. — Air-express service between Canada and Newfoundland has been started by Trans-Canada Airlines. The new service will be from Moncton to St. John's, via Sydney and Gander. There will be one trip daily.



*The size of the figures indicates approximately the proportion of the total business in force written by the B.I.&I. Co. and its nearest competitors.

THERE is a Gulliver in the field of engineering insurance in Canada. This modern Gulliver, who towers like a giant over all his fellows, is the Boiler Inspection and Insurance Co. of Canada.

Figures filed with the Department of Insurance, Ottawa, for the last calendar year, once again show the Boiler Inspection Company receiving more than half the total premiums paid to the 23 companies writing engineering insurance in Canada. Specialization on one thing, and doing that one thing extremely well, is the reason for this overwhelming preference shown by Canadian industry for Boiler Inspection Company policies. That one thing is the *safeguarding* and *insurance* of power and heating equipment.

Believing in prevention, this company expends from 46 to 47 per cent. of premium receipts on making sure, as far as humans can make sure, that accidents will not occur. To carry on this work, the Boiler Inspection Company maintains over 40 full-time trained inspectors, whose whole jobs are discovering possible sources of disaster before disaster occurs.

Ask your agent or broker for more details about this company — the only company in Canada specializing in engineering insurance.

The Boiler Inspection and Insurance Co. of Canada

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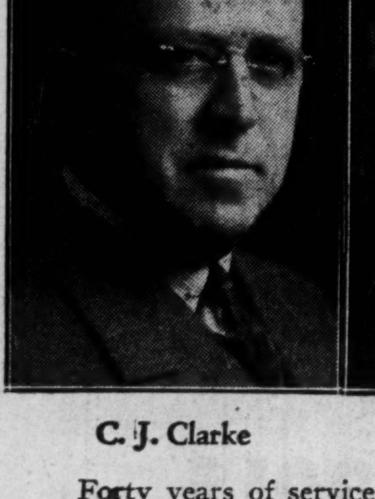
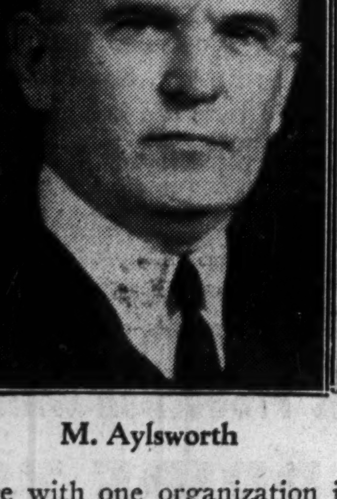
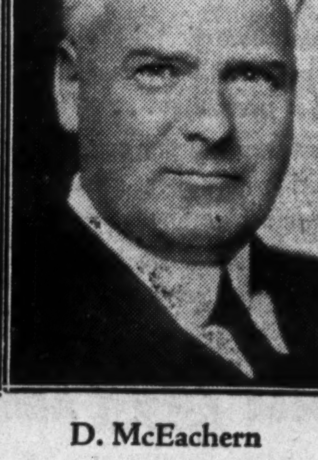


C. J. Clarke



M. Aylsworth



D. McEachern

Forty years of service with one organization is not unusual. But the occasion is unique when three men who started as boys together and now occupy the leading positions with the same institutions celebrate their 40th anniversary together. Morley Aylsworth, General Manager; Chas. J. Clarke, Treasurer, and Danbert McEachern, Secretary, of The Huron & Erie Mortgage Corporation and The Canada Trust Company joined the staffs in 1902. Since that time the combined assets of these institutions have increased from $8,000,000 to more than $80,000,000.

London Calling

by Adelphi

LONDON.—Great Britain, after a deep distrust of classical music for many decades, has gone music mad. Every orchestral concert is a sell out now no matter how austere the programme. No longer does a conductor need to include popular favorites to attract his audience. Beethoven is the rage, Wagner is out of fashion, and Bach is enjoying a boom. The personalities of the conductors involved in all this make a strange story.

The man who did most to keep music alive in this country is now a self-appointed exile in America. Sir Thomas Beecham has been engaged for something like 18 appearances at the Metropolitan in New York, which shows the estimate put on his abilities by that eminent Canadian impresario Mr. Edward Johnson. Beecham left England a few months after war broke out and after a riot or two in Australia took his misanthropic wit and his magic baton to the North American continent. He left his London Philharmonic orchestra on the cold doorstep of Britain's musical indifference.

The distress of one man can be the opportunity of another. Jack Hylton has been a jazz band leader for many years and was presumably only concerned with the tom-tom music of the dance floor which is Africa's revenge on the white races. But the plight of the London Philharmonic orchestra roused Jack to a generous decision. He guaranteed the orchestra engagements for six months, forswearing any profit in the venture. Dr. Malcolm Sargeant, that lithe, incisive and enthusiastic youngish conductor was engaged.

* * *

Played Through Blitz

Off the orchestra went to the provinces and Hitler's Air Force supplied extra percussion effects. They played through the Blitz and travelled with every discomfort imaginable. But the public turned out in their thousands. "An Englishman," said Sargeant to me at the time, "will not weep over his personal sorrow but he will weep for the sorrow of the nation. Music has suddenly become the expression of that feeling to the ordinary Englishman."

Jack Hylton had gained the reputation of being a wizard. He extended his activities into the theatre. Everything he touched was a success. Today he is the biggest figure in the British theatre and one of the most intelligent. His West End flat is hung with priceless tapestries and old masters. He looks at them and at his pretty Hungarian wife and smiles. "In the street where I lived in Lancashire as a boy," he said, "there wasn't a bathroom in a single house."

* * *

Three Meals Daily

William Walton, the most brilliant of the younger school of English composers, was actually lunching at the Carlton Grill yesterday. "There is such a boom in music," he said, "that a symphonic composer can almost afford three meals a day." His new symphony will be performed when the "Proms" begin in a few days at the Albert Hall.

Sir Adrian Boult has retired as Musical Director of the B.B.C. and is being replaced by the towering ex-Grenadier Guardsman, the six-foot-four Arthur Bliss. The job is worth £2,500 a year which isn't bad. He is no mean composer but now he will have little time to exchange the baton for the pen.

A piquant feature of the situation is the imminent arrival of John Barbirolli, the British born conductor of the New York Symphony, who inherited that post from the great Toscanini. Mr. Barbirolli is paying his expenses home and has offered to conduct without fee so as to help the British musicians. For some reason the "old school tie" Brigade of British conductors has never really opened its ranks to Barbirolli who did most of his conducting in the provinces. He has not appeared in a full symphonic programme in London since his appointment to New York although he has been here many times. We are wondering if at last he will be given the dignity that is his due.

* * *

Coach Comes Back

In Palace Yard at Westminster yesterday a coachman with an open carriage walked his two greys slowly about. There was an elegance about the outfit which no motor car could ever equal. While the greys were picking their way about the ancient yard their owner, the 82 year old Lord Portsea was making a passionate plea for the children of Jersey. "We must send them food!" he cried. "Give me food ships and I will sail them in the uniform I am entitled to wear." The Government said it could not be done and did not believe the plight of the inhabitants was as bad as was said. The old Lord Portsea got up on his feet again. "I will divide the House," he cried, and his voice broke with emotion. "Who will be a teller? Is there no noble Lord who will be a teller for me?" According to Parliamentary procedure one man cannot force a vote. There must be at least one more to act as teller. Yesterday the Noble Lords made no answer to the appeal. They were uncomfortable and unhappy but they accepted the government view.

The old Peer left the Chamber trembling and weary. Half an hour later I was in the Mall when he drove past in his carriage. He might have been just an old man taking the air. Certainly none of the passers-by had any reason to suspect that they were seeing a champion returning from the lists.

* * *

London Likes Casey

R. G. Casey has made a good impression on London again. He has a fine personality, a good voice and is self-assured without being arrogant. He is not afraid of the first personal pronoun but does not flaunt himself. He has an excellent broadcasting voice which he demonstrated when he held forth on the B.B.C. last Sunday night. He has not the wide range of language which Mr. Menzies had at his command but neither has he Menzies' mordant wit which is a good thing for a politician not to have. Menzies lost many a friend and made many an enemy by that diamond pointed irony of his. Casey will make no such errors. He is wholesome, clean thinking, normal and intelligent without being brilliant. With such attributes and such helpful limitations he ought to go a long way in British politics.

* * *

A Special Touch

Mr. Churchill's revelation that the man behind the Commandos was Lord Louis Mountbatten has caused special rejoicing among those who remember the last war. No one doubts for a moment that Lord Louis was given the appointment on his merits and his record but nevertheless I fancy everyone can see the sentimental touch of Winston Churchill in it. In 1914 when Churchill was First Lord of the Admiralty he had as his Naval Chief Prince Louis of Battenburg. It is recognized now that the fact that the British Fleet was mobilized and ready at that time for action was due to Prince Louis. His whole heart was in the Navy and there was a great affection between him and Churchill. Then came that hysterical wave of popular opinion which denounced everybody with any Germanic background. Prince Louis was removed and that was the end of his story.

But the wheel has taken a complete circle. Today his son is head of a special service which embraces the Army, the Navy, and the Air Force. He is a Vice-Admiral with the honorary ranks of Air Marshal and General, Lord Louis is handsome, quiet, has a wife who is both beautiful and rich. Few officers have had a rougher time than he in this war. He has been in the fiercest episodes. He has lost ships in the most desperate encounters where his coolness and his courage inspired everybody.

At any rate to those with memories it is a gratifying thing to see this belated justice done to the memory of a man as distinguished and as devoted as Prince Louis of Battenburg.

* * *

Forgotten Men

In discussing the coming men of politics I wonder if we would be wise to give a thought to the forgotten men. Hess is not the only one under lock and key and in whom the nation has lost interest. It is true that I have not heard the name of Hess mentioned for months and I could not even tell you where he is incarcerated. Yet his unsolicited visit was perhaps a turning point in the war, for it gave the British government and, through it, the Russian government the vital information that Germany intended to attack the Soviet.

But the forgotten men that I have in mind are Sir Oswald Mosley and Captain Ramsay, M.P., who are in that sinister place known as Holloway. Sir Oswald, the glittering d'Artagnan of the between-wars period is suffering from phlebitis. His wife, who shares prison life with him still speaks of him as "The Leader." Perhaps one might recall that she is a sister of the celebrated Unity Mitford.

Captain Ramsay paints pictures to while away the dull hours, which permits the comment that both Winston Churchill and Adolf Hitler also painted pictures. Incidentally Churchill was much the better of the two.

Will these men have any place in the topsyturvydom of postwar political life? Mussolini, de Valera and Hitler all served sentences in jail before they rose to power. Stalin was in and out of jail for many years. Ramsay MacDonald was refused a passage by the sailors of a British ship when he wanted to go to a conference at Stockholm in the last war. There are plenty of precedents to point the way from prison to power but the common sense of the British, now a little out of joint, will reassert itself when the fighting ends.

Ramsay is an unimpressive type and an indifferent speaker, but Mosley could have been a powerful figure if vanity and impatience had not driven his reason at such a headlong pace. What a dreadful price he has paid for it—prison in the days of his country's need, the scorn or indifference of his fellows, and now phlebitis. Truly like the old Emperor Franz Joseph he might say "Destiny has spared me nothing."

Swift Canadian Gives Nutrition Scholarships

Swift Canadian Co. is making available a number of fellowships to universities and medical schools for research in nutrition, according to J. H. Tapley, president. Research projects to qualify for the new grants which begin May 11, 1942, and are for one year, but may be renewed if warranted, are:

(1) The development of fundamental information on nutritive properties of food.

(2) Application of this fundamental information on the nutritive properties of food to the improvement of the Canadian diet and health.

The parent company in the United States has a similar programme of aiding nutrition research.

"Thank you!–It's perfectly clear now!"

Exchange Problems in War Time

War conditions compelled Canada to set up certain regulations governing Foreign Exchange. Business men must observe the rulings of the Foreign Exchange Board.

The Dominion Bank, through its Foreign Department, has made a close study of these regulations, and has kept itself fully informed on new rulings and developments.

This Bank gladly offers expert advice and assistance in Foreign Exchange problems. The Manager of any of our Branches will be glad to place our facilities at your disposal.

THE DOMINION BANK
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C. H. CARLISLE, President.
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New Books . . . .

Revolt Leaders

THE SIXTH COLUMN. Inside Nazi-occupied Europe, by authors from countries involved. Introduction by Winston S. Churchill. Longmans, Green & Co. Price $3.

UNDERGROUND EUROPE. By Curt Riess. Longmans, Green & Co. Price $4.00.

These two books report something of the methods of the millions of enslaved Europeans who are fighting their Nazi conquerors. Much, of course, cannot yet be told, both for lack of information and because the facts would imperil these patriots and fighters for democracy.

But the story of the intrepid editors and printers of underground newspapers, of saboteurs, of spies within high Nazi ranks which are serving our cause, is packed with drama, heroism and excitement.

Two outstanding reports on the Sixth Column are those of Genevieve Tabouis on France and of Jan Masaryk on Czechoslovakia.

The Masaryk chapter is probably the most hate-rousing saga of Gestapo sadism reported in this entire war. The Hitler attempt to eradicate the Polish people is just as terrible, but it is not told with the detail that makes the Masaryk article so revealing and so shocking.

The Curt Riess book repeats some of the same stories told in the Sixth Column and on its jacket bears testimonials from representatives of occupied nations as to the validity of the information given.

The implication of both books is that the democracies have an extensive, highly organized and very devoted organization of "wreckers" at work throughout occupied Europe and that thousands of Europeans are daily endangering their lives in continuing the struggle against Hitler, whether they are members of an organization or not.

The effect of both books is to give the reader a powerful conviction that Hitler cannot long hold on. The cruelties and sadism are too general ever to conquer a people or to win its tolerance. The vigor and strength of the saboteurs is too great for obliteration.

* * *

Your Heart: Your Best Friend

YOUR HEART. By Joseph M. Stein, M.D. Published by Longmans, Green and Co., Toronto. Price $3.50.

Dr. Stein does not join the late Judge Rutherford in promising that "thousands now living will never die," but he does offer the reasoned encouragement of his statement that thousands now living won't die as soon as they think they will, simply because science knows more about the heart than it used to know.

This is a layman's book and will, it is to be hoped, have a wide readership among business men. The author tells the simple facts about the human heart, what makes it tick, what makes it go wrong, how to keep it from going wrong, and what to do in the matter when it does.

He outlines the danger signals to watch for; comforts the man with a damaged heart by showing that he is not necessarily under sentence of early death; and neatly divides the responsibilities of the doctor and the owner of the damaged heart in effecting a cure or making the best of the trouble.

HEAD ADVERTISER

A. P. Darcel, advertising manager of Crane Ltd., who was appointed president of the Technical Advertisers Association of Montreal at the annual meeting. The T. A. A. M. is associated with the National Industrial Advertisers Association.

MORE POWER to the Red Cross
Help the RED CROSS

◆ Your donation to the Canadian Red Cross Society will give more power to the Red Cross to aid the wounded . . . help bombed civilians . . . feed and guard the interests of prisoners-of-war . . . to provide supplies of blood serum . . . and to prepare for any needs that may arise in Canada itself.

The only agency that can help our men, who are prisoners in enemy countries, is the Red Cross. The only information regarding prisoners in enemy countries must come through the Red Cross. That is because the Red Cross is given International rights, privileges and immunities by the Geneva Convention. It is to protect those International privileges that the Red Cross Society must depend completely on voluntary financial support. The Red Cross CANNOT TAKE MONEY FROM ANY GOVERNMENT without violating the Geneva Convention, and losing its International rights.

This company urges you to support the Red Cross generously, especially during its current appeal, between May 11th and May 23rd.

Contributed by AMALGAMATED ELECTRIC CORPORATION LIMITED

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

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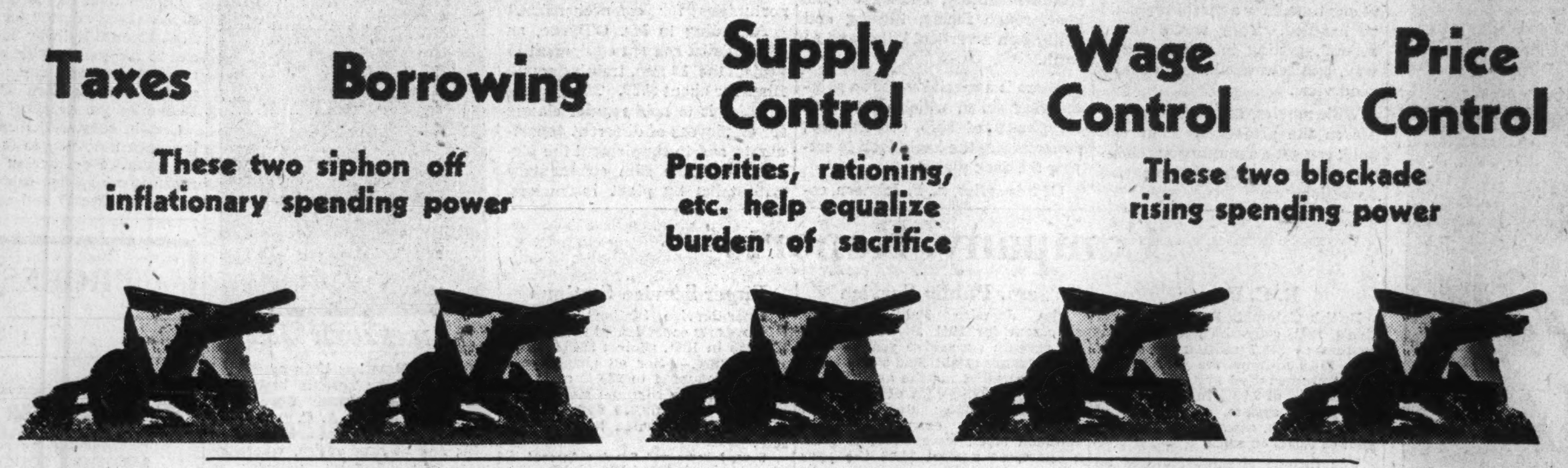
Paper is Needed For Victory

Do not burn or destroy this copy. See that it goes to paper salvage.

Price Controls in Britain, Canada and Now in the United States:

Can the United Nations Defeat Inflation?

A Five-gun Attack on Inflation


Taxes
Borrowing
These two siphon off inflationary spending power
Supply Control
Priorities, rationing, etc. help equalize burden of sacrifice
Wage Control
Price Control
These two blockade rising spending power

By W. BRUCE MacKINNON

A day or two before President Roosevelt announced his grand strategy of inflation control, a topflight U. S. banker informed The Financial Post that around $2 billions in currency had been hoarded in the United States.

The cash thus withdrawn from U. S. banks represented the efforts of scores of individuals to "hedge" against inflation. Should their fears prove justified, no worse method of hedging could be found. Despite a decade of discussion of inflation, the action of these hoarders indicates conclusively that vast sections of the public know little of inflation or how to guard against it, that in spite of this lack of knowledge, fear of inflation is a key wartime factor.

With the Roosevelt announcement, every major member of the United Nations, with the partial exception of China, is ranged in the war against inflation. Inflation control machinery in these nations is the most powerful single agency on the home front.

But no economist has been contacted by The Financial Post who is willing to state that inflation would lose the war for us, would stop production, or would ruin our chances of postwar reconstruction. What it would do is interpose a number of difficult hurdles that would make all three aims more difficult to achieve.

Bill of impeachment against inflation is threefold—personal, productive and political:

PERSONAL:

Inflation touches off a race to keep ahead of rising living and production costs.

To the manufacturer it means a constant effort to keep the price of his product ahead of his rising labor and material costs.

To the farmer it means a steady drive to keep farm prices ahead of manufactured prices and farm labor costs.

To the wage-earner it means constant attempts to keep wages ahead of farm and manufactured prices.

To the fixed-income person, the pensioner or salaried official, the race is lost from the start.

All the contestants can't be winners in such a race.

Particularly in wartime, when goods are being diverted from the consumer, most of the entrants are bound to lose.

All this adds up to a tremendous waste of personal effort in a fruitless chase after a non-existent "prosperity." Worse still, it leaves the laggards in the race bearing more than their share of the war costs.

But individual suffering alone does not weigh heavily enough in the scales of total war to justify all-out inflation controls.

PRODUCTIVE:

Of greater immediate importance are the delays in production which develop with the efforts to keep ahead in the price race. Labor attempts to get its increases through strikes and slowdowns in vital war plants. Farmers and manufacturers are tempted to hold out for better prices. Collectively, individuals cannot benefit, and war production lags.

Yet if an inflationary spiral is allowed to develop, most of the individuals concerned are in duty bound to enter the race. Union officials are sworn to look after the interests of their men. Company officials are trustees for their shareholders. Farmers must keep their prices somewhere near "parity" if they are to continue in business. Efforts of individuals to protect their own interests are likely to injure the nation.

POLITICAL:

Over the long pull, the most important reason for fighting inflation is to preserve the very existence of the state. The national money is the most prevalent, the most important symbol of the state's power and prestige. Responsible governments cannot function on a foundation of worthless currency.

The government which enters the postwar period in an advanced stage of inflation goes to bat with two strikes against it. It has to reestablish its own prestige and that of its currency; it has to deal with a disgruntled populace, depressed by a long and fruitless race to keep abreast of the price level, disunited by the constant friction entailed. A tremendous financial and morale problem has to be faced with few and nearly exhausted resources.

Five Guns Against Inflation

Canada, the United States and Great Britain have five big guns in their battle against inflation. They are taxation, borrowing, supply control, wage control and price control.

Basic principles and many of the techniques being applied by the democracies were used extensively by Hitler even before war broke out. In inflation-conscious Germany, Dr. Hjalmar Schacht, who was credited with rescuing his country from the great inflation of 1921-24, was given the powers of an economic dictator.

Combined goal of these basic controls is to keep the spendable money neck and neck with the flow of production. There must be enough money in government hands to buy the war goods produced. There must be enough money—and no more—available to buy the smaller number of consumers' goods being produced. Any income above that must be salted down, "sterilized" to prevent a price jam and an inflation race.

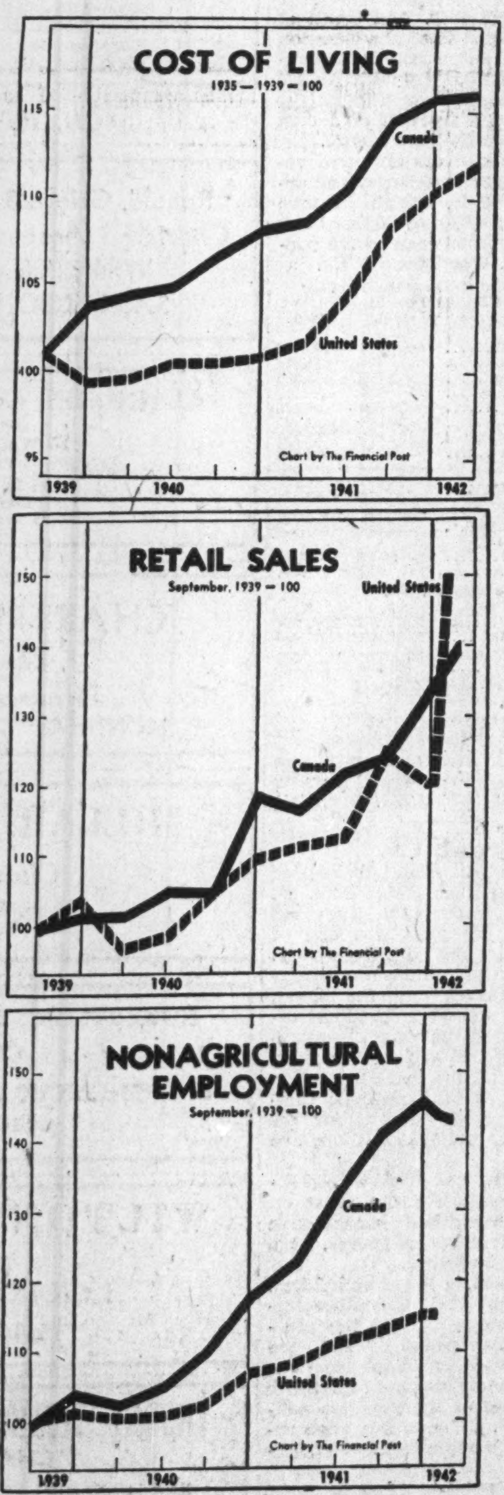
Gun No. 1: Taxation

Big gun of the United Nations, taxation, provides war finance, siphons off buying power permanently, can be equitably applied.

In Canada little taxation is aimed exclusively at the wage-earner, but unmarried persons earning $1,000 a year, formerly exempt, now pay $87.50 in income and national defense taxes, another $12.48 in compulsory unemployment insurance. This total of 10% of income siphoned off is increased rapidly at higher earnings levels.

Canadian corporation profits are taxed a flat minimum of 40% and range up to 80% for companies whose earnings have increased since outbreak of war. Net result in Canada has been an average drop of $1 million a month in dividends for each of the first five months of 1942. Profits taxation has been carried in Canada to the point of deflation.

Up to now the bulge in farm income has been relatively untouched by the tax collectors of the United Nations. Because of its depressed condition, because of the great need for increased crops, partly because of political pressure, farmers as a class have received subsidies rather than new taxes. In Britain major crops such as potatoes and wheat receive subsidies, the United States is permitting a rapid rise to "parity" farm prices, and in Canada, grain subsidies, cheese subsidies, hog subsidies and various price increases have been supported by the government. In all three countries the farm front remains a potential inflationary threat.



How Canada has slammed the brakes on living costs, and the trends which led the United States to follow suit are indicated in the above charts. Fact that retail sales have kept steady pace with employment shows that war earnings are still being spent rather than saved.

In Britain income taxes have been stepped up in every budget since the 1935-36 levy, with exemptions and allowances steadily reduced. In the 1941-42 budget, most severe of all, the exemption dropped to £80 for unmarried men.

Up to £150, the tax was in the form of forced savings, to be repayable after the war. This year the tax exemption was raised to permit unmarried wage-earners £2 per week exemption, raise the exemption for working married women from £45 per annum to £80.

Reason for relaxation of income taxation is that high taxes were hurting production.

Britain's 100% excess profits tax on corporations appears heavy compared with Canada's nominal 75%. But Britain's tax applies only on the wartime increase in earnings, allows more latitude in the choice of a base for determining the increase. Earmarked for return after the war are 20% of the taxes paid under the ruling, bringing the net down to Canada's effective 80%. Britain's E.P.T. puts an effective ceiling over corporate profits, does not make any inroads on earnings up to the pre-war level, in contrast with Canada's 40% minimum.

United States tax plans are still in embryo. President Roosevelt's inflation speech said little of taxes for the lower brackets, obviously the most important starting point for controlling an inflationary spiral. In 1940, U. S. estimates place 74% of the national income as labor's share of the total. Rising employment and wage rates since then are stated to have greatly increased the percentage going to labor. Yet the President's speech stressed only the importance of limiting income after taxes to $25,000. In Canada, the latest available figures show only 473 individuals earning over $25,000 a year, and in Britain only those with incomes above $1 million annually can enjoy incomes of $25,000 after taxes.

Most important U.S. tax increases to date came last September, when the exemption for married persons was cut to $1,500 from the previous $2,000 and a graduated excess profits tax, topping at 60% was imposed. The current tax proposals recommend a step-up in E.P.T. to 94% of war excess earnings, with a postwar rebate of possibly 10% of the tax paid under discussion.

Gun No. 2: War Savings

No matter how heavy the taxes, no scheme of inflation control can rest on them alone, largely because no taxation system has yet been "individualized" completely.

Canadian income and national defense taxes on a married man with $5,000 and two dependents total $735 a year. No distinction is made between the man who has been earning $5,000 for years and the man who is just moving up to the $5,000 level. In the latter case the tax takes money the taxpayer has never enjoyed, in the former it involves heavy sacrifices in living standards.

A theoretically perfect tax structure would make these allowances, but in the absence of such a plan, borrowing has to drain off the surpluses. Most cogent argument against forced saving is based on the same set of facts. Forced saving has for practical reasons to be based on the income tax, tends to reimpose any inequalities in the tax system.

Britain, for the year just past, estimated a deficit in the neighborhood of £2,400 millions. By the time allowance was made for the spending of capital reserves at home and abroad, normal savings, etc. Sir Kingsley Wood cut this deficit to an estimated "inflationary gap," between resources and expenditures, of £200 to £300 millions.

In this year's budget speech, Sir Kingsley claims that intensified savings drives have closed this gap. Economists are still arguing (a) whether he estimated the gap correctly (b) whether he really closed it.

Canada's borrowing has to date been more successful in balancing the budget than either Britain's or the United States. Against a budgeted deficit for the year just past of $1.4 to $1.6 billion, Canada's two Victory Loans have grossed approximately $1.8 billion, War Savings Certificates have brought in some $84 millions, treasury bills an extra $45 millions.

The gross amount borrowed is $300 to $500 millions more than the budgeted deficit. About $250 millions of the excess should be written off against the refunding of existing debts by conversions.

In a week or two Canada's budget for 1942-43 will probably reveal more precisely the extent to which the inflationary gap has been sealed—current indications are that it has been closed with an overflow of at least $50 millions.

The United States financial front is still frankly inflationary. Best estimates available indicate that at least 55% of current expenditures are being met by bank borrowing.

Speaking in Montreal, Price Administrator Leon Henderson indicated that U. S. war spending last month totalled some $3,500 millions, and is accelerating by about $500 millions a month.

Inflationary financing is typical of the early stages of rapid war expansion, only when the effort matures can "pay-as-you-go" financing be substantially achieved. Other criticisms of the U. S. borrowing pattern are that it does not make sufficient use of the existing investment structure and that it depends too largely on short-term certificates which become in effect demand deposits after a few months.

The U. S. public borrowing campaign is being stepped up. Goal for May is $800 millions, for later months the objective ranges above $1 billion.

Great weakness of taxation and borrowing as inflation controls is that both attempt to siphon off buying power after they reach the public, tend to lock the barn door after the horses are stolen.

Gun No. 3: Wage Control

To lick inflation before it starts, the two key guns are wage and price control. Both are full of political dynamite, run the risk of antagonizing the worker, the farmer, the manufacturer and the merchant. Success in control of either prices or wages can only be achieved with the full support of the public, is as much a question of morale as technical control.

Canada is the only nation of the three yet to attempt overall wage control. As from November, 1941, all wages and salaries in Canada are technically frozen, subject to increase for wages and lower salaries in line with cost of living changes. Other increases can be made if the employee has assumed greater responsibilities. Farm workers and a few other trades are excluded from the ceilings.

Neither Britain nor the United States have adopted wage ceilings formally. President Roosevelt has indicated that general increases will not be justified under the new price ceilings except in depressed industries and areas. About a quarter of Britain's 12 million unionized workers already have contracts that adjust pay rates to the cost of living.

Failure to blockade the steadily increasing bulge in pay envelopes might bring a complete breakdown of anti-inflation measures. With the way open to pay increases, each new tax tends to bring demands for higher pay, makes it impossible to design adequate tax controls. Canadian budget planners have the twofold advantage of knowing approximately how much is available for taxation, that new taxes cannot be nullified by subsequent wage increases.

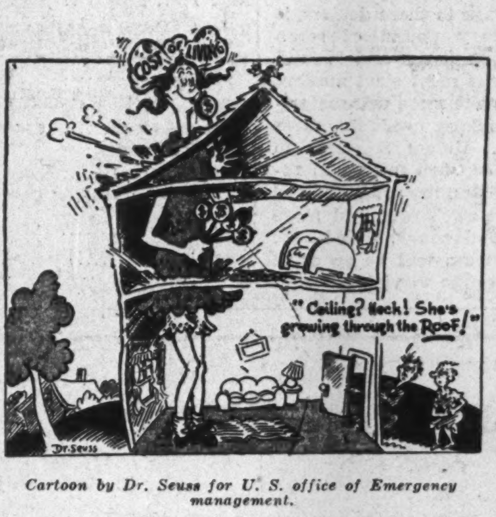
Failure to block wage increases inevitably means that industry and agriculture cannot operate under price ceilings without the aid of subsidies. In the long run, prices and wages are one and the same—prices cannot be frozen without freezing wages. To date, the principal barrier to a wage spiral in Britain and the U. S. is the pressure of public opinion, inside and out of the labor unions.

Gun No. 4: Price Control

But in both countries barriers to a price spiral have been imposed. In Britain, price blocks have been gradually imposed, have now spread to almost every major consumer item. Tendency has been for commodities to disappear from normal trade as soon as the price fixing is imposed, reappearing on the "black market." Remedy has been to impose rationing along with the price peg.

The lesson of the British experience has been that rationing and price fixing must go hand in hand, neither can be effective without the other. It has also been found necessary to control the price and supply of substitute items, honey along with sugar, blouses and skirts along with dresses. British authorities emphasize that subsidies must only be paid to essential producers in order to keep them under the price ceiling. Others must switch to war work or close down.

Canada and the United States have two basic advantages over Britain in price control—they are more self-sufficient in output of basic necessities, and their possibilities of expansion from existing sources are more elastic.


COST OF LIVING
"Ceiling? Heck! She's growing through the RooF!"
Dr. Seuss

Cartoon by Dr. Seuss for U. S. office of Emergency management.

Both apply the principle of over-all price ceilings, Canada fixing prices as of Sept. 15 to Oct. 11, 1941, the United States as of March, 1942. Both make exemptions for farm produce, the United States exemptions being the more sweeping.

The problems that these plans will bring are now fairly well known to most Canadians.

Most important is the "squeeze" caused by the difference in cost between goods now on the shelves and those still in the production processes. The squeeze has to be met by spreading the loss from retailer back to primary producer, and if this is impossible (as in the case of many imported goods) by payment of subsidies. Technique of "rolling back" the squeeze, gradually developed in Canada, has been incorporated in the initial U. S. order.

Cutting Production Costs

But before the subsidy stage is reached every effort has to be made to cut production costs. Formal orders for the elimination of unnecessary frills which have been a developing feature of Canada's Wartime Prices and Trade Board, will be duplicated in the United States. End product of the simplification and standardization of consumer goods is an increase in output from existing facilities. In Britain the standardization programme has been carried to the point of centering all production of specified commodities in a few firms, closing down or converting the remaining firms to war jobs.

Big danger of price control is that it serves to obscure rather than cure inflation. Overall freezing makes no distinction between commodities whose consumption should be curtailed and basic necessities. Result is that precious imports may be consumed at a higher rate than would be the case if their prices were allowed to rise under the normal impact of scarcities and rising demand.

Gun No. 5: Supply Control

Because they make for the geatest possible production at the least cost, standardization and carefully directed subsidies are the two most important supply controls for fighting inflation. The most important aspect of supply control—diversion of production to war use—works in favor of inflation.

While it is bound to intensify consumer shortages, wartime supply control at least makes sure that the burden of restrictions is shared equally and that the more essential consumer goods take priority. In all three nations the priority controls tie in with subsidy programmes to gain the desired type of production, while rationing equalizes the burden of the inevitable shortages.

Suffering more acutely from shortages than either of the North American democracies, Britain's rationing schemes are correspondingly the most complete. Only formal rationing in Canada thus far is for gasoline, and it is officially stated that informal rationing as in sugar, will be used wherever possible. Formal rationing is apparently the intention in the U. S. Coupon books for sugar are now being issued, printed so as to permit their use for other commodities.

To date, Canada's inflation control appears more complete than either Britain's or the United States'. All three fall short of perfection. Biggest hole is the failure to sterilize the entire increase in national income. Although Canada's public borrowing appears to have more than closed the inflationary gap, the borrowing itself has inflationary possibilities. A government bond is as much a promise to pay as issued currency. Successful bond flotation is no indication that the money will not come back into circulation when bond buyers feel they need it to use their stored-up spending power.

Biggest hole in the production front is the danger of killing incentive and the spirit of economy by excessive profits taxes. In all three countries the E.P.T. rates planned or in force leave the producer 20% or less of his increase in earnings. The actual cost of any planned expenditure, wage increase, etc., is thus only 20 cents on the dollar.

Administrative difficulties in rationing and price control run the risk of defeating their own ends. It has been claimed that coal rationing in Britain will take 15,000 clerks to administer, that 15,000 coal miners released from military service would solve the coal shortage and obviate rationing.

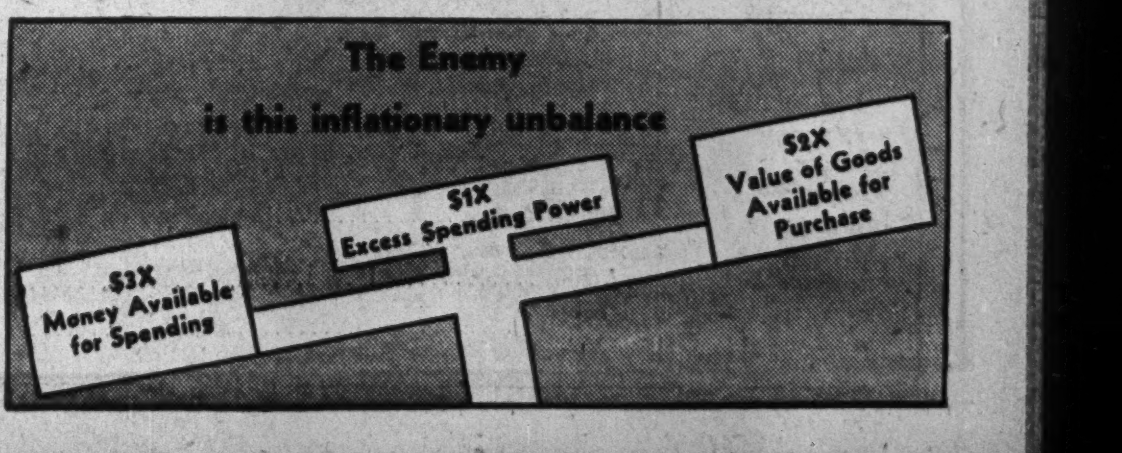
Can It Be Done?

Still to be settled is the question of whether such a thing as inflation control can really exist in wartime. Skeptical economists point out that wartime sacrifices are inevitable, that no amount of price juggling can alter the basic losses which consumers must experience. The practical policy, according to this school of thought, is to ration and fix prices on a few basic commodities, let consumers compete for non-essentials. The high price for non-essentials that would result would of itself tend to curb luxury buying and mop up excess purchasing power.

With price controls already in full sway in all the major belligerent countries, such questions are largely academic. But that total war has led to the imposition of totalitarian economics is a truism that is only gradually being realized.

On one question there is full agreement. Right or wrong, the whole system of inflation control hinges on public psychology. Conversion from an individualistic, profit-seeking society has been far more rapid than the change in mental outlook of the great majority of individuals. A "psychological gap" has been created which is of almost equal importance to the "inflationary gap" faced by the fiscal controllers.

Still to be answered is the question of how the sweeping controls that have been built up can be dropped after the war. Helpful, perhaps inevitable, in mobilizing the full war potential, they hinder rather than help the development of new ideas and new products which must be a feature of postwar recovery. The danger is that industry's wartime uniform may become its peacetime strait-jacket.


The Enemy
is this inflationary unbalance
$3X Money Available for Spending
$1X Excess Spending Power
$2X Value of Goods Available for Purchase

Motion Pictures Speed Worker Training

U. S. Government Films Available For War Industry Here

A good many Canadian employers may be paying their employees to watch moving pictures before long—and finding it profitable.

That, at any rate, is the opinion of key men in the Department of Munitions and Supply, who are recommending that war plants make use of the training films which the U. S. Office of Education has prepared for the instruction of new workers.

Ralph P. Bell, director of aircraft production, and Desmond A. Clark, director-general of shipbuilding, have both placed their stamp of approval on the films and indicated that it would be worth-while for industrialists to establish projection rooms.

This has already been done by at least one plant, Canadian Acme Screw and Gear, of Toronto. A number of other concerns have sent inquiries to Frank O'Byrne, Toronto manager of Associated Screen News, whose organization has undertaken to distribute the films at cost, under an arrangement with the U. S. government.

Not long ago the pictures were screened in Montreal before executives who represented more than 40 of the biggest war plants of Canada. Their reaction is said to have been definitely favorable to this method of employee education, which the U.S. developed as a means of speeding war production.

The films—they are sound films with a running commentary by an instructor—show actual demonstrations of specific jobs on specific machines, by expert operators. They are designed to emphasize such points as safety, the importance of blueprints, the need for cleanliness and lubrication, and the basic principles of correct machine operation.

Motion picture techniques, such as slow motion, animation and magnified views, simplify the subjects covered and impress them on the mind of the workers.

An obvious advantage is this: It would be impossible to show a fairly large group of employees, at one time, how a machine should be handled. They would crowd around, getting in one another's way, and few would get a really good view.

With movies, as many employees as the projection room will hold, can get a simultaneous close-up of the most detailed machine operation.

Another advantage is that the films can take a block of metal, for instance, through all production phases in a few minutes, illustrating each step. To see these operations in the plant, employees might have to wander around for hours from one machine to another.

The films deal with a wide range of subjects—the steel rule, the micrometer, the Vernier scale, the fixed gauge, height gauges and standard indicators, rough turning between centres, turning work of two diameters, cutting a taper with the compound rest and with taper attachment, cutting an external national fine thread, drilling, boring and reaming work held in chuck, the milling machine, cutting keyways, straddle and surface milling to close tolerances, straddle milling, cutting a spur gear, rough facing, turning and drilling on a vertical lathe, and so forth.

There is a special series on shipbuilding skills, which deals with all phases of ship construction, from setting the keel block to setting the deck plates.

Of this series, A. F. Johnson, co-ordinator of shipbuilding, U. S. Maritime Commission, said:

"To show the learners how the structure and equipment of a vessel are produced and assembled, without interference of related trades and in proper sequence, would be impractical on the vessel itself. These learners would get in the way of productive workers. The proper kind of motion pictures, with essential tasks enacted by skilled men and presented in proper sequence, can be used repeatedly and most quickly to instruct beginners away from the job and with the least delay in production. They rapidly convey the knowledge of assembly steps, nomenclature, part identification, markings and supplementary erection procedures, with equal clearness to all learners and with the same opportunities for comprehension."

According to Mr. O'Byrne, an industrialist can get equipment to project the 16 mm. training sound films for about $750. The general practice is to hold regular classes for employees of different departments, and to supplement the pictures and the film commentary with talks by plant instructors. These instructors relate what has been seen on the screen to the equipment in their own plant. Sometimes "quizzes" are used as a means of implanting what they have seen more firmly in the minds of the learners.

Use of the movies is now becoming general through U. S. war industries and government surveys indicate that they have not only facilitated the training of new workers, but have helped the upgrading of the semi-trained. In addition they have tended to reduce the waste which results from careless workmanship.

Int'l. Harvester Aids in Salvage

Photo, Public Information.

Plans for a salvage campaign to retrieve all possible scrap metal from Canadian farms are here presented to Hon. J. T. Thorson, Minister of National War Services, by H. C. Ray, representative of the International Harvester Co. of Canada, Ltd.

Hon. J. T. Thorson, Minister of National War Services, has accepted the offer of International Harvester Co. of Canada to co-operate in the Dominion-wide salvage campaign.

The company is designating the premises of each of its dealers across the country as a receiving depot for used metal. The scrap these dealers receive will be sold through the regular channels. Dealers will take no commission and will remit the entire proceeds to those who bring in the metal.

Purpose of the plan is to salvage old iron and steel now lying around the nation's farms. The company feels that its dealers, in close touch with Canadian farmers have the facilities for tackling this job.

In a message to these dealers, it states: "Every pound of scrap metal now on farms and around dealers' stores must start moving at once to make more war materials. War industry needs this farm scrap now. Unless it starts to move at once, steel mills will reduce operations, the production of arms will slow down, and more lives, time and money, more blood, sweat and tears will be spent in fighting through to victory."

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Company Reports

B. C. Power

British Columbia Power Corporation's 1941 gross income from all sources at $18.7 millions compares with $16.9 millions the year before. The transportation system reported an increase of 9.93% in traffic; light and power system, an increase of 7.36% in kw.h. sales; gas division, a gain of 9.09% in sales.

The income account features an advance in taxation reserve, and provision of $150,000 for contingencies. After all charges, net available on the Class A stock amounted to $2.07 a share, as against $2.06 the year before.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	18,701,685	16,911,254
Add: Other income	27,380	39,917
Total earnings	18,729,065	16,951,171
Less: Exec. remun.*	95,091	92,395
Directors' fees	21,000	21,000
Depreciation	2,549,751	2,305,103
Interest	1,520,555	1,534,205
Income & E. P. taxes	2,379,400	1,932,500
Oper. expenses	9,123,658	8,247,220
Accident res.	120,000	60,000
Conting. reserve	150,000	......
Bond discount	75,011	75,643
Net profit	2,694,599	2,683,105
Less: Pref. divds.	621,840	621,840
Common divds.	2,000,000	2,000,000
Surplus for year	72,759	61,265
Add: Prev. surplus	1,095,754	1,034,489
Earned surplus for'd.	1,168,513	1,095,754
*Incl. legal fees.		
Earned per share:		
Common	$2.07	$2.06
Working Capital		
	$	$
Current assets	5,564,566	5,833,987
Current liabilities	4,770,719	4,675,402
Working capital	793,847	1,158,585
Balance Sheet Changes		
	$	$
Investments	1,854,701	1,738,014
Inventories	1,883,298	1,545,910
Funded debt	37,607,624	38,097,625
Fixed assets	114,827,658	115,385,317
Less: Depreciation	31,608,871	29,970,362

Jam. Public Service

The Jamaica Public Service statement for 1941 shows that for the seventh successive year operating revenues established a new high. Total operating income at $1,244,082 was 11.6% above that of the previous year. After deducting all senior charges, earnings on the common stock were equal to $1.15 a share, as against $1.08 the year before.

Sales of electric energy totalled 21.9 million kw.h. in 1941, exceeding the previous year by 12.3%. The greater proportion of this increase was accounted for by a 10.8% gain in number of customers. Parallel increases were shown by the railway department, while the ice department recorded a substantial gain in sales.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Oper. income	1,244,082	1,096,830
Less: Expenses	804,951	688,550
Operating profit	419,951	408,280
Add: Other income	12,548	6,243
Less: Retirement res.	90,000	90,000
Total earnings	341,679	324,523
Less: Interest	84,920	85,794
Debt discount	9,093	9,193
Other charges	8,641	8,871
Net profit	239,025	220,664
Less: Pref. divds.	83,407	67,799
Common divds.	91,800	91,800
Surplus for year	63,818	61,065
Add: Prev. surplus	410,781	379,641
Less: Misc. debits	16,038	29,926
Earned surplus for'd.	458,560	410,780
Earned per share:		
Common	$1.15	$1.08
Working Capital		
	$	$
Current assets	801,811	800,085
Current liabilities	333,466	316,304
Working capital	467,345	483,781
Balance Sheet Changes		
	$	$
Preferred "D"	438,000	163,374
Funded debt	1,867,018	1,895,243
Fixed assets	5,130,231	4,780,506

Can. Ingersoll-Rand

Canadian Ingersoll-Rand Co. reports net income for 1941 of $958,767, equivalent to $5.04 a share on the common stock. This contrasts with $756,497, or $3.97 a share the year before.

Operating profits last year of $2,128,745 were up about 60% from the $1,317,274 reported in 1940.

The balance sheet as at the end of 1941 shows net working capital of $3.5 millions, as against $3.4 millions at the close of the previous year. Current assets included $710,497 in cash and $921,226 in Dominion and municipal bonds.

Confed. Amusements

Confederation Amusements Ltd. reports an improvement in operating revenue for 1941. Gross revenues moved up from $486,686 to $565,117. After all charges, earnings available on the 8% preferred stock amounted to 6.93% as against 6.59% the year before.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Theatre income	565,117	486,686
Other income	20,844	16,613
Less: Expenses	267,746	246,379
Net revenue	318,215	256,920
Less: Misc. expenses	210,049	149,353
Depreciation	46,467	46,465
Bond interest, etc.	24,499	25,740
Net profit	37,200	35,362
Less: Pfd. divds.	37,534	32,173
Surplus for year	*334	3,189
Add: Prev. surplus	34,180	30,991
Surplus forward	33,846	34,180
*Deficit.		
Working Capital		
	$	$
Current assets	133,623	147,862
Current liabilities	39,174	32,299
Working capital	94,449	115,563
Balance Sheet Changes		
	$	$
Int. assoc. cos.	54,013	2,246
Funded debt	472,400	484,000

Paramount Oshawa

Paramount Oshawa Theatres Ltd., affiliate of Famous Players Canadian Corp., reports higher gross and net earnings in 1941 than in 1940. On the common shares, the 1941 net is equivalent to $1.13 a share against $1.04 in 1940.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Total earnings	30,495	27,600
Less: Depreciation	7,559	7,796
Income & E. P. taxes	9,145	6,918
Net profit	13,791	12,886
Less: Pref. divds.	2,500	2,500
Common divds.	10,000	10,000
Surplus for year	1,291	386
Add: Prev. surplus	103,887	114,133
Less: Adjusts. (net)	2,462	10,632
Earned surp. forward	102,801	103,887
Earned per share:		
Preferred	$27.58	$25.77
Paid	5.00	5.00
Common	1.13	1.04
Paid	1.00	1.00
Working Capital		
	$	$
Current assets	85,388	75,845
Current liabilities	10,418	7,813
Working capital	74,970	68,032

Super-Service Stations

Super-Service Stations, Halifax, N.S., reports consolidated revenue of $266,165 in 1941, against $245,414 the year before. After all charges net profits amounted to $8,840 or $32.17 a share on the common stock. This contrasts with $73,319 and $36.31 a share on the common the year before.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	262,755	239,914
Add: Other income	4,010	5,510
Total earnings	266,765	245,414
Less: Depreciation	88,277	82,771
Interest	32,825	33,550
Income & E. P. taxes	50,299	30,326
Other interest	......	1,632
Bad debts	14,662	17,973
Life insurance	1,369	1,852
W/o investments	......	4,000
Add: Non-oper. credits	1,457	......
Net profit	80,840	73,319
Less: Pref. divds.	16,500	16,500
Common divds.	16,000	15,650
Surplus for year	48,340	41,169
Add: Prev. surplus	227,976	186,807
Less: Spcl. com. divd.	43,500	......
Earned surplus fwd.	232,816	227,976
Earned per share:		
Preferred	$26.95	$24.44
Paid	5.50	5.50
Common	32.17	36.31
Paid	8.00	10.00
Working Capital		
	$	$
Current assets	499,100	399,816
Current liabilities	306,950	195,333
Working capital	192,150	204,483
Balance Sheet Changes		
	$	$
Cash	59,596	38,389
Investments	83,701	39,833
Accounts receivable	207,765	193,045
Inventories	231,738	168,382
Funded debt	625,000	640,000
Fixed assets	1,409,062	1,345,295

Claude Neon

Claude Neon General Advertising reports little change in earning power, earnings in 1941 amounting to $77,403, as against $71,343 the year before. After provision for interest, which was not paid, there was a surplus of $486, or practically the same as in the preceding year.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Total earnings	77,403	71,343
Less: Exec. remun.	10,500	10,300
Legal fees	44	892
Depreciation	39,950	36,013
Interest	25,938	23,368
Income & E. P. taxes	485	275
Surplus for year	486	495
Add: Prev. deficit	1,798,540	1,818,850
Adjustments	......	1,177
Less: Misc. Credits	530	20,992
Deficit	1,797,523	1,798,540
Working Capital		
	$	$
Current assets	212,834	183,297
Current liabilities	315,286	264,280
Working capital*	102,452	80,983
*Excess of liabilities.		
Balance Sheet Changes		
	$	$
Cash	135,955	127,256
Investments	768,121	735,063
Inventories	45,303	32,063

Beach Foundry

Beach Foundry Ltd., Ottawa, reports net profits of $39,881 for 1941. Balance sheet as at Dec. 31, 1941, shows a bank loan of $39,645 and net working capital of $233,793. Funded debt and mortgages outstanding amount to $245,100.

Income and Surplus Account
Year Ended Dec. 31, 1941

	$
Operating profit	149,887
Add: Other income	2,028
Total earnings	151,915
Less: Exec. remuneration	18,311
Legal fees	1,025
Depreciation	44,920
Interest	14,727
Income and E. P. taxes	27,920
Inventory reserve	2,000
Bad debts w/o	3,131
Surplus for year	39,881
Less: Previous deficit	88,746
Adjustments	1,746
Add: Profit on bonds	3,260
Deficit forward	47,351
Earned per share:	
Preferred	$32.58
Working Capital	
	$
Current assets	364,930
Current liabilities	131,137
Working capital	233,793

Kensington Manor

Under rent control regulations, maximum gross rental income of Kensington Manor Apts., Windsor, is $16,182. This maximum was exceeded by $4.65 in 1941 due to collections of $20.50 in arrears, indicating practical 100% occupancy throughout the year. This condition is likely to continue, reports the London & Western Trusts Co., receiver and manager, for the duration of the war. Net income for 1941 should also be considered as the peak as expenditures for repairs and decorating were considerably below the average of the past few years.

Sufficient funds have been accumulated to pay six months' interest at 7% to April 20, 1934, plus interest on unpaid interest at 5%. This will amount to $49 per $1,000 bond, before allowing for national defense or non-resident taxes. Payment will be made on presentation of bonds to the London and Western at Windsor.

Income Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross revenue	16,187	16,135
Less: Expenditures	6,320	8,309
Bond int. paid	7,497	3,704
Surplus for year	2,370	3,122

NEW MANAGER

J. H. L. Ross has been appointed manager of the Toronto branch of Industrial Acceptance Corp. Ltd. Mr. Ross joined I. A. C. in 1930 in Halifax and has served at Saint John, N.B., and at head office, where he was assistant sales manager in charge of new business in Ontario.

Legare Co.

Legare Co., successor to P. T. Legare Co., reports a healthy gain in both gross and net profits in 1941 compared with 1940. Net profit of $77,813 was equal to $2.62 a share on the preferred and $3.33 on the common. This contrasted with $44,970 and share earnings of $1.50 on the preferred and a fraction of a cent on the common the year before.

Expansion in operations was reflected in larger inventories and accounts receivable, which in turn were partially offset by higher bank loans and a special loan to the parent company, Woodhouse & Co.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Total earnings	224,965	160,435
Less: Exec. remun.	8,400	18,624
Directors' fees	2,761	5,000
Legal fees	734	......
Depreciation	23,609	18,110
Interest	22,683	23,227
Income & E. P. taxes	51,875	24,205
Other interest	37,059	26,318
Net profit	77,813	44,970
Add: Prev. surplus	133,112	88,142
Earned surplus fwd.	210,925	133,112
Earned per share:		
Preferred	$2.62	$1.50
Common	3.33	....
Working Capital		
	$	$
Current assets	2,577,412	2,095,186
Current liabilities	1,596,086	1,217,030
Working capital	981,326	878,156
Balance Sheet Changes		
	$	$
Investments	40,000	......
Accounts receivable	1,528,178	1,465,144
Inventories	996,064	613,610
Bank loans	1,116,148	711,000
Funded debt	369,025	381,400
Woodhouse loan	146,032	......
Accounts payable	269,929	469,338

Brown Co.

Brown Company and subsidiaries for the fiscal year ended Nov. 29, 1941, shows substantial increased earnings as the year was one of record activity for both Brown Co. and Brown Corp. Pulp operations were at capacity and the paper, paper towel and other products divisions showed increases, particularly in the last half of the year. Combined company and corporation dollar sales at $32.2 millions compared with $24.9 millions for the previous year and $17.5 millions two years ago.

Consolidated net profit of $3,041,281 was equal to $21.05 a share on the preferred and $1.08 per common share. No dividends, of course, were paid on the preferred.

In his report to the shareholders, Vice-president H. P. Carruth referred to consummation of the reorganization plan which involved the borrowing of $4.5 millions from the Reconstruction Finance Corp. Since the beginning of the year, he added, the R. F. C. loan has been reduced by the repayment of $1,750,000.

Profit and Loss Accounts

	—Fiscal Year Ended—	
	Nov. 29/41	Nov. 30/40
Brown Co.:	$	$
Operating profit	3,781,974	1,240,464
Interest	1,547,621	1,490,042
Taxes	750,000	......
Net profit	1,484,353	d250,578
Brown Corp.:		
Operating profit	2,556,928	1,939,474
Interest	300,000	267,647
Taxes	700,000	750,000
Net profit	1,556,928	921,827

Working Capital

	—As at—		
	Nov. 29/41	Nov. 30/40	Incr.
	$	$	$
Brown Co.	7,620,240	1,669,389	5,950,851
Brown Corp.	5,272,276	2,917,745	2,354,531
Combined	12,892,516	4,587,134	8,305,382

(Above figures are based on the concept that United States and Canadian dollars are equal in value. If current assets and current liabilities had been adjusted for the depreciation of Canadian exchange the working capital would have been reduced by approximately $490,000 at the official rate of exchange.)

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100 Modern Trams Coming For Three Cities by Fall

A total of 100 more modern P.C.C. street cars will be imported into Canada this year, the Foreign Exchange Control Board having granted a release of American exchange sufficient to cover the purchase of the necessary parts obtainable only in the United States, according to The Coupler, monthly magazine of the Toronto Transportation Commission.

Of the total of 100 cars ordered, 20 have been allotted for use on the B. C. Electric Railway in Vancouver and 25 for Montreal Tramways. The remaining 55 will come to the Toronto Transportation Commission. Deliveries are expected in the fall.

Certain construction modification has been necessary in the cars now on order. Steel spring upholstery replaces the sponge rubber used on previous carseats and some of the springing of the trucks is to be accomplished by steel springs where rubber was formerly used. These changes mean a saving of over 10,000 lb. of rubber. An improved drive shaft has been developed and is to be used on the new cars now ordered.

Inner sides of the metal side sheets of the new cars are to be coated with a preparation of asphalt and asbestos from the floor to the bottom of the windows to reduce noise and drumming sounds. Common practice in the construction of buses and steam road passenger cars, it is understood this has never previously been applied to street cars.

The basic design of the new cars was worked out a few years ago at a conference of presidents of street railway companies.

PROFESSIONAL DIRECTORY

LEGAL

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See Future of B. C. Lumbering Imperilled by Dropping Bars

From Our Own Correspondent

VANCOUVER.—Reversal of national policy respecting the export of hemlock logs, prime ingredient in the manufacture of pulp and paper in British Columbia, may have far-reaching consequences for the province's forest economy in the years to come.

Despite the fact that hemlock production will be less this year than in 1941 owing to labor shortage and other factors, the federal government is reported to have advised provincial authorities to remove most of the barriers that in the past have stood in the way of log shipments to the United States.

The result is apparent in an acute shortage of logs in British Columbia, and pulp and paper mill operators will probably suffer from enforced curtailment of activity before the end of the year if the present attitude is maintained.

A difficult international point is involved in the present situation. During the past 15 years the pulp industry of Washington State, just across the border from British Columbia, has expanded phenomenally. Some people contend that the expansion has, in fact, been too rapid in consideration of the supply of raw material. Some of the mills, called on for an ever-increasing production of pulp, have looked to near-by British Columbia forests as their source of hemlock.

The argument of the American pulp operators is that, while under normal conditions British Columbia should have first claim to her own timber, both Canada and the United States are, after all, in the war together and they should recognize timber resources as a common pool from which to draw as necessity demands, mills on both sides of the international line sharing in accordance with their needs. The Americans point out, further, that much of their present output is for British requirements under lend-lease arrangements and that for that reason Canada should co-operate wholeheartedly to provide hemlock for mills thus engaged.

Main Source U. S. Owned

There is another claim which so far has not been advanced very strongly, namely, that the principal consumers of hemlock pulp logs in British Columbia are owned by American interests anyway.

While all the pulp and paper mills operating in British Columbia employ only Canadians and have an important stake in this country's economy through taxation, distribution of expenditures, wages and so on, it is a fact that Powell River Co. is owned by American interests; Pacific Mills is a Canadian subsidiary of Crown Zellerbach Corp. of San Francisco; Westminster Paper Co. is largely owned by the Herb interests of Bellingham, Wash.; and Sorg Pulp Co., recently revived at Port Mellon, is owned by Ohio paper manufacturers.

Under these circumstances American pulp mill operators stress that, after all, the industry is all a part of one big family and no one should complain about the size of the helping at the hemlock dinner table.

Future to Look At

Looking into the broader aspects of the future it is obvious that if British Columbia is to maintain her position in industry she cannot permit her raw materials to leave the country without restraint to feed the mills of a foreign country, regardless of the friendship and the special considerations that cannot easily be ignored at present.

Dissipation of British Columbia's hemlock resources is of particular seriousness now because of the new importance this species has won. British Columbia's dominance in lumber production was based chiefly on the Douglas fir stands of the coastal regions, and it is probable that during the present decade output of Douglas fir will pass its peak. In future what trade remains in Douglas fir will be based on second-growth, smaller stuff, involving revolutionary changes in sawmill technique—a situation for which far-seeing lumbermen are already preparing.

Surplus Until Recently

The great hemlock forests of British Columbia have been regarded as the reserve on which many mills, including the pulp and paper industry, must depend for future production. The fact that hemlock occurred abundantly in Douglas fir stands resulted in a considerable surplus in the cut of hemlock until recently, for hemlock was never as readily saleable as fir.

But in recent years, apart from the pulp mills' demand, lumber mills are making more extensive use of hemlock. Leon Koerner, for instance, came out from Central Europe just before the war and expressed amazement that hemlock was so little appreciated. An outstanding forest expert in Czechoslovakia, Koerner left before the Nazi drive to establish himself in a new country. Today his Alaska Pine Co. is one of the most successful lumber operations on the west coast and it manufactures hemlock exclusively. His experience points a new trend to the day when hemlock may take the place of Douglas fir as B. C.'s No. 1 timber product. Such an era has long been regarded as logical and inevitable by foresters and practical operators alike.

Possibilities Lost

But if export of hemlock logs is to be unrestricted, there is small prospect of British Columbia cashing in on this resource to anything like the degree that the present extent of her natural resources would indicate.

The export figures give a graphic picture of what is happening. Douglas fir exports are now prohibited, but last year they amounted to more than 80 million board feet. That, however, was only about one third of Douglas fir exports in 1937. Cedar exports have been fairly consistent, ranging during the past seven years from 20 to 50 million feet. But hemlock and balsam, the two pulp species, show a very different trend. In 1935 B. C. exported only 34 million feet. In 1936 the total had climbed to 49.7 million feet, in 1937 to 75 million feet. By 1939 123 million feet of hemlock and spruce were exported; by 1940 140 million feet, and in 1941 195 million feet.

As a result of the growing shortage of logs, described as the worst in British Columbia's history, Powell River Co. is said to have log reserves for only 10 days instead of the usual 30-day reserve. B. C. Pulp & Paper Co., which normally has 30 million feet of hemlock and spruce available, was last week down to five million feet.

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Consolidated Paper

I hold some of the 5½% bonds of Consolidated Paper Corp. and would like to have your opinion on this security. I have a well diversified list of investments.

Consolidated Paper bonds are an attractive semi-speculative investment. While the history of the predecessor company was not very satisfactory, very considerable progress is being made by the present company in consolidating its position, especially in respect to finances and operations. The bond interest was covered by a wide margin last year. While the outlook for the newsprint operating companies is somewhat uncertain, due to a variety of factors, still when one considers the improvement in the financial position, especially the strong working capital, there is reason for believing the company is now in a position to maintain interest payments. It is difficult to forecast the outlook this year. There is talk of power shortages, rationing of newsprint paper, transportation tie-ups, etc. Taking all these items into consideration, it is more than likely the company will be able to maintain its earnings in 1942 at not far short of the 1941 level. As to the prospects after this year, it is anyone's guess, but, to repeat, the bonds are an attractive semi-speculation.

Insurance Deduction

Our firm has been carrying a group insurance policy on its employees and is paying the premiums on policies held by men who have enlisted for active service. Would this premium be permitted by the Income Tax Department as a deduction from taxable income?

The policy followed by the Income Tax Department has been to permit as a deduction from taxable income, payment by firms of the difference between soldiers' pay and ordinary civilian salaries or wages while the former staff members were in the army in Canada. This permission would also be extended to group insurance premiums. No ruling is available as to what would be the policy followed when these men were overseas but it is thought that such insurance premiums would be permitted as a deduction from taxable income.

Gatineau Power

Would you be good enough to let me have your views on the common stock of Gatineau Power Co. While I have only a few shares in this company, I would like to have your opinion as to the merits of this security.

Gatineau Power Co. financial statement for 1941 indicated satisfactory earnings on the common stock, the dividend being well earned. Output is all sold on a long time basis and while a further gain may be recorded in the sale of firm power, through plant alterations, etc., the increase is not likely to be marked. With gross income more or less at a ceiling, the position of the company may possibly be affected by any advance in corporation taxes. This would be of concern more to the common shareholders than to holders of the preferred or the bonds. Because of the relatively heavy charges ranking ahead of the common, any appreciable advance in taxation might affect the ability of the company to maintain the present dividend rate. This situation is reflected in the market action of the common stock which is selling at a relatively low point.

U. K. Legacy

I am heir to 50% of my parent's estate in Great Britain. At present there is approximately £500 available for distribution to me but only £100 has been sent to me in Canada. What is the position in this case and does Canada's "Billion Dollar Gift" not help in securing payment of this estate?

Prior to Feb. 3, 1942, the United Kingdom permitted the transfer of estates in cash to beneficiaries residing in Canada. This only applied to a portion of the estate which was actually in cash and not to property. But following Feb. 3, changes in regulations now permit only the transfer of the first £100 of any estate. The balance is held in England and can either be invested in British securities or held in a blocked bank account. If the estate is invested in securities in Britain, the income from these securities can be transmitted freely to residents of Canada. In case of dire need, application to the Foreign Exchange Control Board at Ottawa would likely bring relief and permit a transmission of additional amounts above the £100 to a Canadian beneficiary. This would only be done in cases where it was essential to provide necessities of life for the beneficiary in Canada.

Canada's "billion dollar gift to Britain" has no effect on these rulings regarding transmission of funds from Britain to Canadians. The trend of regulations has been steadily towards more strict control as witnessed the change made Feb. 3.

Can. Northern Ontario

We have received a letter from the Canadian National Railways offering £104-18-10 and accrued interest for our holdings of Canadian Northern Ontario Co.'s 3½% first mortgage debenture stock, 1961. This is the price at which this stock was called by the British Treasury in a recent vesting order which called for delivery of all stock of this issue held by residents of the United Kingdom. Would you be kind enough to express your opinion as to whether a resident of Canada should sell this stock or not?

The offer extended by the Canadian National Railways to Canadian holders of Canadian Northern Ontario Railway Co. 3½% first mortgage debenture stock, 1961, is on the same basis as that incorporated in the vesting order issued by the British Treasury calling in all stock of this issue held by residents of the United Kingdom. Naturally as a Canadian resident you are under no obligation to accept the offer of £104-18-10 and accrued interest. On the other hand, an important point to consider is that this stock has been removed from the official London Stock Exchange list. There is no ready market for it. It may increase in value in the unlisted market, but, on the other hand, it may also decline in value. We think the most important point to consider in arriving at a decision as to whether or not you accept the offer of Canadian National Railways is as to whether it would not be more advantageous for you to accept the offer and reinvest the proceeds (in Canadian funds) in a Dominion Government security, payable in Canadian funds. With the present discount on British sterling there is little doubt but that you could secure an equally satisfactory investment here and one which would [illegible]

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

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NEW VICE-PRESIDENT

Horace W. Remington has been elected vice-president in charge of foreign operations of Colgate-Palmolive-Peet Co. He is a director and has been with the company since 1911.

Can. Colonial Airways Seeks Permit Extension

From Our Own Correspondent

MONTREAL.—Every effort is being made by Canadian Colonial Airways Ltd. to secure a franchise to operate after June 30, 1942, according to a statement by J. E. Savard, president, at the annual meeting of shareholders.

At present the company has a temporary permit to continue operations until June 30, This permit was issued when its rights were terminated Dec. 22, 1941.

Pending the final result Mr. Savard stated that everything was being done in order to continue operations. Reports were approved and adopted and directors were re-elected for the ensuing year.

Claim West Not Getting Fair Share of War Work

Charges that Manitoba and the West are not getting a fair distribution of Canadian war work are contained in 1941 report of the Industrial Development Board of Manitoba.

In its review of Manitoba's industrial progress during the year the board expresses disappointment that greater advantage has not been taken of the resources of the province, which might have been utilized to greater extent by the Dominion Government as the location of war industries. Apart from the cordite plant of Defense Industries Ltd. and the aircraft undertakings, which represent the two chief war projects, no large projects have been undertaken or projected, it is declared.

The board states that when this situation is viewed beside the enormous capital outlays in Ontario and Quebec for war plants it seems that a wider distribution in the location of further new undertakings must receive consideration. It adds that for some time an acute shortage of workers is being experienced in eastern Canada and that there still remains in Manitoba a reservoir of skilled, semi-skilled and unskilled labor, which could be readily tapped.

Machine Shops Slack

The board's report refers to the question of main contractors not subcontracting all the work they could to various small plants throughout the country.

The report states:

"Apparently the government is not seeing that every available machine is being used. Here in our province, due to curtailment of civilian use, many machine shops are actually slack. Surely if, through the necessity of war, these civilian curtailments have to take place, and even more drastically as time goes on, it behooves the government to see that all orders they control or delegate to others to handle should be divided up across Canada in order to fairly distribute the work and so take up the slack caused by necessary civilian curtailment, where possible.

"Why should Ontario and Quebec be flooded with work from shipbuilding down through the long lines of industry working with steel to the enormous outlay of printing material?

"These are questions we are all asking. Why is Manitoba and the West not getting a fair distribution of war work?"

Production at Peak

While no official figures are yet available on Manitoba's industrial production for 1940 or 1941 the board estimates that there are now upward of 35,000 employed in industry and the gross value of production is in the neighborhood of $165 millions. In 1939 there were 23,910 Manitobans engaged in industries having a gross value of production of $134.2 millions. Estimated figures for 1941 are the highest ever recorded in Manitoba.

The board reports that enquiries from Britain into the possibilities of Canadian location indicate that after the war there will be a substantial migration from the United Kingdom of industrial plants.

Refugee Capital Lags

Concerning refugee industries the board comments that while there is much of what might be termed refugee capital in Canada, it does not appear that this is being invested in industry to the extent generally believed; that it is, in fact, disappointingly low.

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THE RED CROSS NEEDS $9,000,000 NOW!

● It is only through the Canadian Red Cross Society that anybody in Canada can send food parcels to any Canadian, British, Australian or New Zealand prisoner-of-war anywhere.

This is but one of the great tasks of the Canadian Red Cross; great tasks require great effort and much money.

More than 40,000 prisoners-of-war food parcels are sent overseas by the Red Cross every week. This number must be more than doubled to meet the actual need. More than a million such parcels have already been sent to prisoners-of-war.

It all costs money. The Canadian Red Cross Society has not campaigned nationally for funds since October, 1940. It now asks urgently for $9,000,000 in the only national campaign for war service funds to be authorized by the Government this year.

Every dollar contributed by you is wisely dealt with and economically administered. All Red Cross accounts are subject to scrutiny by the Auditor-General of Canada.

PARCELS FOR PRISONERS will cost approximately $5,000,000 this year.

Other highlight features of Canadian Red Cross service follow:

The Canadian Red Cross has given enormous assistance to the injured and homeless in bombed areas in Britain. At Coventry and Hull, in devastated London, Plymouth, Bristol and Liverpool, the Canadian Red Cross was there. Millions of articles of clothing, shoes, blankets and other comforts have been distributed.

Thousands of children in Britain have been made orphans by the war. The Canadian Red Cross has fed and clothed many of these homeless ones and found them shelter.

The Canadian Red Cross operates a chain of Blood Donor Clinics in Canada where thousands of patriotic citizens make voluntary contributions of their blood—not once, but many times. This blood is made into serum for transfusion purposes and many precious lives have thus been saved.

Many seamen rescued from torpedoed vessels have lost all they possessed in clothing and personal effects. The Red Cross meets rescued seamen at Canadian ports and many ports abroad, and carries the means of relief upon the seas. Many an injured, half-drowned seaman has been supplied with the things needful to save him from the results of exposure and injury.

The Canadian Red Cross sends vast quantities of hospital supplies, and surgical dressings to military hospitals overseas. Patients in these hospitals have been cheered by gifts of over four million articles of supplies and comforts. Millions of comforts are also given to the armed forces at home and overseas.

The Canadian Red Cross has supplied 36 mobile kitchen units for Britain's fire fighters. These units are equipped to go into bombed areas and feed 250 workers at a time.

The Canadian Red Cross Society maintains Information Bureaus through which families in Canada obtain information regarding missing relatives. Through these Red Cross Inquiry Bureaus, information is obtained regarding prisoners-of-war, or missing civilians. The work is carried on in co-operation with the International Red Cross.

THE ONLY NATIONAL CAMPAIGN THIS YEAR FOR WAR SERVICE FUNDS

CANADIAN RED CROSS

GIVE to relieve human suffering!

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 4

A

Range 1942 High	Low	Div R'te $	May 2 Y'ld %		Sales	Last Apr. 27	Week end. May 4 H	L	Cl'se
.75	.40	•	...	Abitibi	3225	.55	.55	.50	.50
7	4½	•	...	Do. pref. 6%	690	5	5½	4½	5
26	13	•	...	Do. pref. 7%	15	25	14	13½	14
3	3	•	...	Acme Glove	....	(3 bid 3½ asked)			
60	50	6.50	12.3	Do. pref.	....	(50 bid — asked)			
13	12	80+20c	8.3	Agnew Surp.	....	(12 bid — asked)			
110	109	7	6.4	Do. pref.	10	109	109	109	109
.90	.75	•	...	Alta. Pac. Gr.	25	.75	.75	.75	.75
27	21½	•	...	Do. pref.	10	21½	22	22	22
9¼	8¼	•	...	Algoma Steel	85	8½	8½	8½	8½
82	82	5	6.1	Do. pref.	....	(84 bid 92 asked)			
109	96	8+2	9.9	Aluminium	352	100	101½	100½	100½
115	112	6	5.3	Do. pref.	....	(113½ bid — asked)			
7½	6	25c	...	Amal. Electric	60	6	6	6	6
†37	37	60c	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
41	40	2.75	6.8	Ang. Can. Tel. p	31	40½	40	40	40
19	17	60+60c	6½	Asbestos	102	18	16	17	17
16½	14	1.75	12.5	Assoc. Brew.	....	(14 bid 14½ asked)			
111	109½	7	6.3	Do. pref.	5	110½	111	111	111
†1	1	•	...	Assoc. T. & T.A.	....	(— bid — asked)			
124	24	96c	...	Do. pref.	....	(— bid 23 asked)			
102	102	5.50	5.4	Ault & Wiborg	....	(102 bid — asked)			

B

Range 1942 High	Low	Div R'te $	May 2 Y'ld %		Sales	Last Apr. 27	Week end. May 4 H	L	Cl'se
150	142	8	5.4	Bk. Can. Nat.	25	148	148	148	148
189	180½	8	4.4	Bk. Montreal	289	182	182	180½	181
275	269	12	4.4	Bk. N. Scotia	17	273	275	272	272
205	226	10	4.3	Bk. Toronto	17	230	231	230	230
8¼	8¼	35c	...	Barber Ellis	....	(6 bid — asked)			
•5	4½	•	...	Barcelona	....	(— bid — asked)			
1.25	.50	•	...	Barker's Bread	600	1.00	1.25	1.00	1.00
17	12	•	...	Do. pref.	30	15	17	16	17
14½	13½	1+25c	9	Bathurst Pr.	515	13½	14	13½	14
2½	1	•	...	Do. (B)	180	1½	2	1½	1½
5	3½	80c	...	Beath & Sons	....	(5 bid 6½ asked)			
8	6½	•	...	Beatty Bros.	....	(6½ bid 7 asked)			
110	102	6	5.5	Do. pref.	10	110	109	109	109
.90	76	7	7.8	Do. 2nd pref.	....	(86 bid 96 asked)			
9¼	9¼	•	...	Beauharnois	318	9½	9½	9½	9½
81	81	4+2	7.4	Belding Cort.	....	(80 bid 86 asked)			
124	115	7	6.8	Do. pref.	....	(116 bid — asked)			
160½	142	8	5.5	Bell Telephone	293	144½	145	144½	144½
7	6¾	30+5c	5	Bertram & Sons	100	6½	7	7	7
7¼	6¾	60c	8.9	Biltmore Hats	....	(5 bid 7 asked)			
3	2½	•	...	Blue Ribbon	....	(2½ bid 3 asked)			
32½	30	2.50	8.3	Do. pref.	....	(20 bid 28 asked)			
10¾	10½	60c	5.6	Blue Top Br. A.	....	(10½ bid 11 asked)			
10½	8	•	...	Do. "B"	18	9½	9½	9½	9½
20¾	20¾	1.30	6.3	Brant. Cord. pf.	....	(20½ bid 23½ asked)			
8¾	6	40c	...	Brazilian Tr.	1082	7½	7½	7½	7½
5½	4½	50+10c	...	Brew. & Distil.	....	(3½ bid 5 asked)			
†6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
†90	90	6	6.7	Do. pref.	....	(90 bid — asked)			
18	13	1	7.3	Brit. Amer. Oil	800	13½	14	13½	14
16	12	1.50	...	B. C. Packers	....	(13 bid — asked)			
22	18	2	10.5	B. C. Power A.	215	19	19	18½	18½
1.25	.90	•	...	Do. (B)	....	(.50 bid 1.00 asked)			
6	4½	20c	...	Bruck S. Mills	....	(5 bid 8½ asked)			
13¼	11½	70+10c	6	Building Prod.	200	13½	13½	13½	13½
8½	7¾	60c	7.3	Burlington St'l	5	8	8½	8½	8½

F, G

Range 1942 High	Low	Div R'te $	May 2 Y'ld %		Sales	Last Apr. 27	Week end. May 4 H	L	Cl'se
16½	14½	1	6.3	Ford Motor A.	2014	15½	16	15½	16
17	14½	1	6.2	Do. (B)	....	(15½ bid — asked)			
.15	.15		...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	13	1+50c	10	Foundation Co.	10	14	14	14	14
13	7	•	...	Fraser Cos.	110	10	10	10	10
13½	9	•	...	Do. Vot. Tr.	86	10½	10½	9	9
.50	.50	•	...	Freiman	....	(.50 bid — asked)			
†55	41	‡4.50	...	Do. pref.	....	(50 bid — asked)			
6	4½	60c	12	Gatineau Pwr.	195	5½	5½	5	5
74	61½	5	7.5	Do. pref.	43	65½	70	65	70
80	70	5.50	7.2	Do. 5½% pref.	36	71	76	73	76
†1.25	.25	•	...	Do. Rights	....	(— bid .25 asked)			
6½	5	50c	...	Gen. St. Wares	174	5	5	5	5
92	86	7+53c	8	Do. pref.	125	86	88	87	88
60	31½	2.50+2.50		Goodyear Tire.	166	32½	32	32	32
49½	39	2.50	5.9	Do. pref.	55	43½	42½	42½	42½
†67	67	‡7	...	Gould Pumps	....	(— bid — asked)			
†4	2½		...	Gt. Lakes Pap.	....	(— bid 3½ asked)			
†16	16	1.50	...	Do. pref.	....	(— bid 17 asked)			
21	1		...	Do. Vot. tr. c.	4	1½	1½	1½	1½
16½	12½	1.50	...	Do. Vot. tr. p.	45	13	13	13	13
4½	4		...	Gt. W. Saddlery	....	(3½ bid 5 asked)			
28	25	3	...	Do. pref.	15	25½	25	25	25
11½	10	60c	6	Greening Wire.	....	(10 bid 12½ asked)			
†1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
2½	2	•	...	Gurd, Chas.	....	(2 bid 2½ asked)			
†107½	106½	•	...	Do. pref.	....	(— bid 90 asked)			
3½	2¼	•	...	Gypsum, Lime.	525	2½	3	2½	3

S

Range 1942 High	Low	Div R'te $	May 2 Y'ld %		Sales	Last Apr. 27	Week end. May 4 H	L	Cl'se
7½	4	•	...	Simpson, A.	....	(— bid 7½ asked)			
2	1	•	...	Do. (B)	....	(1 bid 2½ asked)			
80	70	6.50	9.2	Do. pref.	25	72	72½	70	71
†135	132	6	4.4	Simpson, R., pf.	....	(132 bid 140 asked)			
9½	8½	80c	8.9	So. Can. Pr.	285	8½	9	9	9
103½	99½	6	5.9	Do. pref.	31	100½	100½	99½	100
2.00	1.00	•	...	St. Law. Corp.	725	1.15	1.20	1.15	1.20
15½	11½	1	8.3	Do. (A)	785	12½	12½	11½	12
25	22	1.40+50c	9	St. Law. Flour	30	25	22	22	22
122	115	7	5.7	Do. pref.	....	(120 bid — asked)			
43	33	3	9.1	St. Law. Pap. p	316	34	33½	33	33
11	9	50c	...	Stan. Chem.	20	9½	10	10	10
†5	1	•	...	Stand. Clay	....	(2 bid 10 asked)			
.50	.40		...	St. Pav. & Mat.	....	(.45 bid .50 asked)			
5	4	31¼c	...	Do. pref.	....	(4 bid 5 asked)			
4	3	20c	5.7	Stand. Radio	....	(3½ bid 3½ asked)			
20	13½	60+60c	9	Stedman Bros.	....	(15 bid 20 asked)			
63½	57	3	5.1	Steel of Can.	341	60	60	58½	59
70½	64	3	4.4	Do. pref.	59	68	68½	67	68
3	3	•	...	Sterling Coal	....	(3 bid 5 asked)			
†.15	.15		...	Stop & Shop	....	(— bid .20 asked)			
13½	11½	60+50cs		Stuart, D.A., pf.	....	(— bid 13½ asked)			
23	2½	•	...	Supersilk H. A.	....	(— bid 2 asked)			
†3	2½		...	Do. (B)	....	(— bid 3 asked)			
†70	70	5	7.2	Do. pref.	....	(— bid 70 asked)			
19	19	1+25c	6.6	Sup. Pete. ord.	....	(19 bid 21 asked)			
20	20	1+25c	6.2	Do. com.	....	(18½ bid 32 asked)			

Winnipeg Stocks

(Transactions from Apr. 27 to May 2)

	Sales	High for period	Low for period	Close May 2
Canadian Fire Ins.	635	80.00	70.00	70.00
Federal Grain, pref.	50	33.50	33.50	33.50
Monarch Life	10	33.75	33.75	33.75
Sachigo River	10	4.75	4.75	4.75
United Grain Growers	105	12.50	11.25	11.25
Western Steel Prod.	65	7.50	7.00	7.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, c	3	5
Beav. Lumber, p	100	103
Can. Indemnity.	150	..
Corr. P. Box	.60	..
Cres. Cream., p.	..	12
Dom. Envel., c.	..	8½
Dom. Envel., p.	..	96

	Bid	Asked
Fed. Grain, c.	.35	1⅛
Grouped Inc.	..	4⅛
Home Invest.	25¼	..
Nor. C. Mtg. un	5½	..
Nor. Trusts	..	7⅛
Traders Bldg.	44	..
West. Brew.	1⅞	2
West. Grain, p.	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
May 5	4,800	8,000	159,000	......
May 4	6,100	7,600	113,000	3,550
May 2	2,900	4,200	73,000	11,375
May 1	6,100	3,600	126,000	13,030
Apr. 30	8,500	4,200	159,000	32,580
Apr. 29	9,300	8,000	196,000	37,670

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

May 6, 1942

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
3	Oct. '42	100¾	101¼	.55
2½	June '43	101	101¼	1.10
5	Oct. '43	104¾	105¼	1.45
5	Oct. '43	104¾	105¼	1.45
2	June '44	100¾	101¼	1.42
1½	Sept. '44	99½	100	1.50
a2½	Jan. '44	99½	100‡	2.25
4½	Oct. '44	106⅜	107	1.38
2½	Nov. '44	101¾	102¼	1.60
a2½	Aug. '45	99	99½‡	2.56
a4	Oct. '45	103	103¾	b1.46
2	Mar. '45	100¼	101	1.65
2	Dec. '46	99½	99½	2.03
4½	Feb. '46	109	109½	1.86
2½	Mar. '48	99½	100	2.25
3½	June '49	102¾	103½	b2.36
3½	Oct. '49	102½	102¾	b2.29
3½	Nov. '51	101¾	102½	b2.84
3½	Feb. '52	101¾	102½	‡2.93
a5	May 52	100¾	101¼‡	...
4	Oct. '52	105¾	106¼	b2.75
a3	June '51	99½	100¼	3.03
3	Oct. '52	99½	99½	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	107	107¾	b2.86
a3	Mar. '54	99½	100	3.07
4½	Nov. '57	107¾	108½	b2.85
3	June '58	99	99½	3.02
4½	Nov. '58	108½	109½	b2.93
4½	Nov. '59	109½	110½	b2.95
a4	Oct. '60	104¾	‡105½	b3.22
a3½	Jan. '61	98½	99½‡	3.27
3½	June '66	101	101½	b3.10
a3e	Jan. '67	95	96‡	3.23
a3e	Nov. '68	95	96‡	3.22
†3	Perpet'l	94½	95½	3.14

Dominion Guarant'd Bond Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100¼	101	.95
2½	Jan. '46	100¼	101¼	1.90
3	May '44	102½	103¼	1.50
3	Dec. '50	99¼	100¼	2.93
3	Jan. '59	98½	99¼	3.06
*4½	Sept. '51	117½	118½	2.29
*4½	Feb. '56	118½	119½	2.81
4½	July '57	118¾	119¾	2.91
3	Feb. '53	98½	99¼	3.03
4½	June '55	120½	121½	2.82

%	Due	Bid	Ask.	Approx. Yld.
5	Feb. '54	118½	119½	3.07
*5e	July '69	118	119	...
*5e	Oct. '69	122½	123½	b2.20
*5e	Feb. '70	122½	123½	b2.28
Can. Nat. W. Ind. S. S.:				
*5	Mar. '55	122½	123½	2.83
Grand Trunk Pacific Rly.:				
3	Jan. '62	101	102	2.87
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	93	95	3.63
3½	Aug. '49	95	97	3.72
3½	June '56	95	97	3.77
c4	Nov. '47	104	106	b2.25
c4½	Apr. '61	107	109	3.83
c5	Jan. '60	110	112	4.05
Nova Scotia:				
3	Jan. '52	96½	98½	3.17
3½	June '56	98½	100½	3.20
3½	Nov. '50	100½	102½	3.16
c4½	Sept. '52	107½	109	b2.73
c4½	Nov. '60	111½	113½	3.50
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99½	100½	b2.86
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.95
3½	May '55	99½	102	b3.02
*4	June '62	109	112	3.20
4½	June '50	109	110	3.13
*4½	Jan. '62	116	118	3.27
5	Oct. '48	110½	111½	3.00
*5	Dec. '60	121½	123½	3.32
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100½	101½	b3.03
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	101	103	3.68
Quebec:				
3	Nov. '47	98	99	3.20
3½	Mar. '48	99	100	3.25
3½	Mar. '59	99	100	b3.50
4	Nov. '52	102	103½	b3.52
3½	Feb. '55	101	102	b3.50

%	Due	Bid	Ask.	Approx. Yld.
4½	Aug. '58	106	109	3.32
4½	Jan. '63	111	113	3.82
Alberta:				
4½	Oct. '51	75	..	d
4½	Oct. '56	67	69	d
4	Dec. '54	66	69	d
*5	Oct. '59	71	73	d
c5½	Apr. '52	72	74	d
6	Mar. '47	73	75	d
British Columbia:				
c4	Dec. '57	101	103	3.75
*4½	Jan. '51	104	107	3.56
c4½	Oct. '53	107	109	3.54
c5	Apr. '54	112	114	3.65
5½	Feb. '45	103½	105½	3.44
6	Feb. '47	107	108½	4.07
Manitoba:				
c4	Dec. '57	97½	99½	4.05
c4½	Dec. '56	99½	101½	4.26
*5	Dec. '59	103	105	4.50
5½	Oct. '55	103	105	4.94
6	Apr. '47	103½	105½	4.64
Saskatchewan:				
4	Sept. '54	81	83	5.90
4	Nov. '60	79	81	5.67
c4½	Oct. '51	89	91	5.74
c4½	Mar. '60	85½	87½	5.81
5	Aug. '58	88	90	5.96
5½	Oct. '52	94	96	6.02
6	Mar. '52	96½	98½	6.00

*—Payable Can., N.Y. and £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †—Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium. ‡—N.Y. funds. ♦—Calculated to 1950 average maturity. •—Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 5, 1942

Industrials:	Bid	Ask.
Acme Farm., pf.	45	47½
Andian National	27	28
Anglo C. Tel., A	6¾	7½
Atlas Steel	19½	22
Brand, Hen., c.	3½	4¾
B. C. Pulp, c.	9	10¾
Do., pfd.	60	67
B. C. Sugar	64	67
B. C. Tel., 1st p.	106	..
Brown, com.	1½	1¾
Do., pfd.	25	27½
Burns & Co., A	3	4
Do., B	1½	2½
Can. Co-op. Wl.	8	..
Can. Indust., A	144	..
Can. Airways	1¾	1½
Can. Ing. Rand	71	..
Can. Mot. L.A.B.	5½	..
Can. Tube, 1st p.	78	82
Chase, A. W., p.	18	19½
Colonial Realty	2	..
Colonial Steam.	35	*38½
Corr. Pap. Box c	1½	2
Copeland Fl. un.	13	15
Dunlop T. p. $25	15	17
Easy Wash. p $10	9	10¾
Galt Brass, c.	9½	..
Goderich Elev.	7	8
Guard. Realty, p	13	16
Guelph Carp., c.	16¾	18½
Gurney Fdry., p	1¼	1¾
Hayes Steel, c.	14½	16
Hi'land Dairy, p	..	48
Inglis, John	3¾	4¾
Ingram & Bell, p	93	..
Kingst. Ship., un	37	39
Do., com.	6½	7¾
Loblaw, Inc., c.	11	12
Minn.&Ont. P. c.	3½	3¾
M'row Screw, p.	101	105
Do., com.	13	16
Morrison Br. un	4½	5½
Moirs, Ltd.	18	21

	Bid	Ask.
Neilson, Wm., p.	102	..
N. Meth. Ldy., p	65	..
Ont. Tobacco. p.	19	20
Pac. C. Term., c.	..	6
Prov. Paper, pf.	100	102
Quinte Milk	2½	3½
Stand. Fuel, p.	50	54
Do., com.	..	1½
Stedman, pf. $50	53	55
Sutton Horsley	½	1
Tor. Carpet, c.	60	..
Do., pfd.	68	73
Un. F. Co-op.	2½	3½
Un. Steel, A pf.	20½	22
Viceroy Mfg., c.	12	..
Trust & Loan Stocks:		
Brit. Mtge.	123	132
Brockville Tr.	42½	..
Capital Tr.	28	31
Comm. Fin., c.	4½	..
Grey&Br. Tr. $50	43	..
Guaranty Trust.	100	104
Guelph & O. $50	50	53
Indust. Mtge.	23	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	32	37
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1¾	1¾
Traders Fin. A c	3½	5
Do., A pfd.	57½	61
Trusts&Gr., new	30	34
Victoria Trust	66	70
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	340	370
Brit. Amer.	50	52
Canadian Fire	79	81
Confed. 30% pd.	127	136
Cons. Fire Cas.	3¾	..

	Bid	Ask.
Continental L.	30	35
Crown, fully pd.	260	280
Dominion Fire	136	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 40% pd	71	74
Great-West Life.	200	210
Federal, 25% pd.	53	55
Halifax Fire	14½	16
Imperial Life	260	270
Manufac. Life	216	221
Monarch Life	32	35
National Life	7	12
Sov. L., 25% pd.	12	14
Sun Life	220	240
Tor. General	4	5½
Wellington Fire.	58	..
Western Assce.	38	41
Theatre Stocks:		
Allen's, St. Cath. units	54½	57
Do. Kings'n un	61	65
Loew's London p	2¾	3½
Mansf. Theat., p	30	32
Para., Kitch., p	50	..
Do., Oshawa, c	7½	8½
Investment Trust Shares:		
Can. Investors	4½	5
Inv. Found. un.	43	44½
Sec's. Hold., pf.	18	20
United Corp., A	20	22½
Do., B	4½	5½
Power Issues:		
Can. W. N. Gas	26	28
Do., pfd.	100	..
Gt. Lakes Pr., p	101	104
Int. Util., $1.75 p	9	12½
Do., $3.50 pf.	24	27
Mtl. Isl. Pwr. p.	42	..
Nor. Ont. Pr. p	72	75

Unlisted Mines

Toronto, May 5, 1942

	Bid	Ask
Albany R (Old)	.02	.04
(New)	.05	.10
Amal Kirk	.03	.04
Anoki	.01	.02½
Aquarius	..	.12
Arjon	.02	.03½
Armistice	.03	.05
Argosy	.03	..
Area	.02	.04
Arntfield	.01	.01½
Athona (new)	.00½	.01½
Barb Lard	.01½	.02½
Brock	.02	.04
Calder Bo	..	.03
Can Rad	.07	.11
Central M	.01½	.02
Cheminis	.01½	.02½
Coin Lake	.01	.03
Cons Chib	.02	.05

	Bid	Ask
Delpine	.03	.06
Desantis (New)	.05	.08
Dona Pat	.01	.02
Eastward	.02	.04
Elmos	.03	.06
Franco	.13	.18
Galore	.00½	.01½
Goodrock	.28	.31
Hayes Cad	.02	.03
Hoyle new	.09	.10
Hugh PaP	.02½	.03½
Kirk Gate	.00½	.01½
Kir Town	.03	.07
Lacoma	..	.01
Laguerre	.02	.05
Lake Duf	.21½	.23
Lake Gen	.06	.08
Lw Pete	.13	.18
Magnet C	.25	.30
Magnet L	.07	.12

	Bid	Ask
Martin Bir	.01½	.03
Mata Can	.02	.04
Mata Con	.12	.14
McMar'ac	..	.10
Mof Hal n	.01	.02
Mosher	.05	.06
McManus	.00½	.01½
Nat Mal	.08	.11
Nickel O	1.10	1.60
Norbeau	.15	.20
Norwin	.08	.09
N Ribago	.00½	.01
Numalake	..	.12
Oklend	.03	.04
O'Leary M	.03	.04
Opemiska	.05	.08
Orpit	.02	.03
Pascalis	.07	.10
Pontiac R (Old)	.03	.05
Pelangio	.01	.02½

	Bid	Ask
Polaris	..	.03
Proprie'y	3.25	3.50
Presdor	.02½	.03½
Queb Mn	.27	.28
Rand Mal	.06	.11
Red Lake	.00½	.01½
Ritoria	.00½	.01½
Rouge	.01	.03
S.A.G.A.	.40	.75
Sachigo	4.50	5.00
Sheldon	.03	.04
Skynner	.01	.02
Springer	.10	.12
Stadacona	..	.08
Thomson	.07	.10
Union Min	.01	.04
Wesley	.01½	.01½
Y David'n	.15	.16½

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 5, 1942

Public Utility Issues:	Int. Rate %	Due	Bid May 5	Asked	Bid Apr. 28
▲Alg. Cen. H.B.R.	5	'59	15	17	13½
†Assoc. Tel. & T.	5½	'55	66	69	65
B. C. Power	4½	'60	99	101	99
B. C. Tel.	4½	'61	106	108	106
†Calgary Pwr.	5	'60	107	109	105½
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	100½	102½	100½
*Dom. Gas & El.	6½	'45	104	106	104
Gatineau Pwr.	5	'49	100½	102½	100½
*Do., A	3¾	'69	99½	101½	99½
♦Do., B	3¾	'69	99½	101½	99½
Gt. Lakes Pwr.	4½	'56	101	103	101
Do.	5	'67	97½	100½	97½
*Int. Hydro-El.	6	'44	36	39	36
▲Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	101	103	101
Mtl. L. H. & Pr.	3½	'56	104	106	103½
Do.	3½	'73	102	104	102
Do.	3½	'63	102	104	102
†Mtl. Tramways	5	'51	100½	102½	100½
†Do.	5	'55	78	81	78
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101	103	101
Ottawa L.H.&P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	101	103	101
†Power Corp.	4½	'59	90½	93½	90½
Quebec Pwr.	4	'62	102½	104½	102½
*Saguenay P.	4½	'66	107	109	106½
♦Do., B	4½	'66	106	108	106
St. Maurice Pr.	4½	'70	103	105	103
Shaw. W. & Pr.	4	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	100	103	100
*Twin C. R. Tr.	5½	'52	85½	88½	87
†United Secs.	5½	'52	72½	75½	73½
‡Wpg. El. ser. A.	5	'65	84	87	84
Do., B	5	'65	67½	70½	71½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	60	63	60½
Do., C.O.D.	5	'53	59½	62½	60
Acadia Sugar	4½	'55	101	103½	101
Do.	6	'54	98	101	98½
†Alta. Pa. Grain.	6	'46	103½	105½	103
Algoma Steel	5	'48	102	104½	101½
Atlantic Sugar	4	'51	101	103½	100½
†B. C. Pulp & P.	6	'50	90½	93½	91½
‡†Do.	7	'50	104	...	107
*Brown Co.	5	'59	80	83	80
Burns & Co.	5	'58	70	73	71
Canada Cement	4½	'51	103	105	103
Canada Electric	4½	'65	95½	98½	95½
Can. Paper	4½	'53	101	...	101
Can. Steamship.	5	'37	102½	104½	102½
Can. Canners	4	'51	101½	104	101½
*Can. Int. Paper.	6	'49	105½	107½	105½
‡Can. Locomotive	6	'53	99½	102½	100
‡†Candn. Vickers	6	'47	99½	102½	98
C. P. R.	3½	'51	97	99	97
Do.	4	'49	101	103	101
Col. Steamships	6	'54	101	103	101
†Consol. Paper	5½	'61	66½	69½	69
Dom. Coal	4½	'52	99	102	99½
Dom. Scott. Inv.	4	'32	97	100	97½
Dom. Stl. & C.	6½	'55	104½	107½	105
Dom. Tar	4½	'51	102	104½	101½
Dom. Woollens.	6	'53	96½	99½	96
†Donnacona Pap.	4½	'56	76	79	77
*Dryden Pap.	6	'49	100½	103½	100½
†East. Dairies	6	'49	78½	81½	78½
Famous Players	4½	'51	99½	102	99
†Federal Grain	6	'49	102	104½	102
†Fraser Cos.	6	'50	102	104½	101½
Galt Brass	5	'50	93	..	93
Gen. Stl. Wares	4½	'52	100½	103½	100½
*Gt. L. Paper	5	'55	93	96	93½
*Gurney Fdry.	5½	'49	85	88	86
†Gypsum Lime	5½	'48	101½	104½	101½
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100	103	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	78½	81½	78
Ins. Ex. Bldg.	3	'51	47	50	48½
*Inter. P. Nfld.	5	'68	98	101	98
*Inv. Bond & Sh.	5	'47	41	44	41
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	82½	85½	84
Do.	5	'61	58	61	58½
Do.	6	'61	89	92	89
Legare	3	'58	81	83½	80½
Maple L. M.	5	'60	100½	103½	100½
Man. Sugar	5	'54	96	99	96
Massey-Harris	4½	'49	101	103½	101½
McColl-Fron.	4½	'52	96½	99½	96½
McCormicks	4	'52	104	106	104
Do.	4½	'39	96	99	96
Mercury Mills	5	'57	96½	99½	97
Mersey Paper	5	'49	99½	101½	99
†Do.	6				

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid May 5	Asked	Bid Apr. 28
*M. & O. Paper	5	'60	98	100	102½
Moirs Ltd.	6	'53	81	84	81
‡Mtrl. Drydocks.	6	'48	81½	84½	81
Montreal Apts.	4	'54	57½	60½	57
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	82½	85½	82½
Price Bros.	5	'57	97½	100½	98
Do.	4	'57	80	83	81
*Prov. Paper	5½	'47	104½	107½	104
Reliance Grain.	4½	'52	96½	99½	96½
†Restigouche Co.	6	'48	101½	104½	101½
Rolland Paper	4½	'51	102	104	102
Ruddy, E. L.	6½	'48	83	86	84
Silv. Dairies	6	'66	93	96	93½
Simpsons, Ltd.	4½	'51	100	102½	100½
Smith, Howard.	4½	'51	102½	105	102
Stand. Lime	6	'44	98½	..	98½
Sterling Coal	6	'45	98½	100½	98½
Stop Shop	3	'47	58½	61½	58½
United Amuse.	5	'56	100½	..	100
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	107½	105
United Gr. Grs.	5	'48	100	103	100
†Western Grain	6	'49	63½	66½	64

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Can. or U. K.

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at May 5, 1942, and change in bids, from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., pfd.	32	35	—½
Atlas Steels, 7% pfd.	105	106	+½
Brantford Roofing, c.	2.40	..	+.05
*Can. Gen. Rubber, pfd.	..	21	—1
Can. Mach., new com.	9½	12	+1
C.P.R., 4% p. (£ par)	1¾	2½	+½
Capital Wirecloth, pfd.	18½	22½	+½
Cawthra Apts., pfd.	2.10	..	+.10
Century Finance, com.	..	28½	+½
Claude Neon, pfd.	1.05	1.75	unch
Comm. Life, 10% pd.	6	7½	—½
Dairy Corp., pfd.	6	..	+½
Dom. Alloy Steel, pfd.	.05	.15	unch
Dom. Life, 70% pd.	176	206	—1
Dover Industries	6	6½	unch
Eastern Steel, 5% pfd.	20	21	unch
†Ft. Wm. Hotel, units	..	47	—1
Hart Battery, com.	4.05	4.75	+.05
London & West. Trusts	31½	33	+½
Mont. Deb. Corp., pfd.	2.10	2.65	+.10
Mt. Royal, new com.	2½	3½	—½
Murphy Paint, com.	7	8½	—1½
Do., 5½% pref.	85	86½	—2
Nat. Hosiery, com.	.70	.90	—.05
Do., pfd.	.75	1.10	—.05
†N. Amer. Elevator, pfd.	83	..	—½
Do., 2nd pfd.	26	..	+½
Do., com.	..	1½	—½
St. John Dry D., 5½% p.	100½	102	+½
Sterling Rubber, 6½% p	..	62	—½
Supertest Pete., 6% pfd.	25¾	27¾	+½
Tip Top Tailors Inc., un.	12	13½	+½
Traders Finance, rts.	9½	11½	—½
Viceroy Mfg., 6% pfd.	21½	23½	+½
Waterloo Mfg., new c.	.80	1.00	unch
Wentworth Radio, pfd.	2.00	..	unch
West Can. Hydro, pfd.	11	12	unch
Windsor Hotel, com.	2½	2½	+½
West. Life, 10% pd.	9½	10½	+½

* Issue carries arrears.
† Currently paying on arrears.

Municipal Bonds

May 5, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.00	112.00	3.28
Montreal	5	1945	91.50	.....	...
Ottawa	4½	1945	104.75	106.25	2.45
†Quebec	5	1959	108.00	.....	...
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.75	103.75	2.90

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.74	1.91
Can. Amer. Trust	2.50	3.00
Can. Inter. Trust	3.50	4.25
Can. Invest. Fund	2.80	3.10
Corporate Investors	5.11	5.50
Trans-Canada	8.40	9.25

Annual Meetings

1942:	Company	Place
May 11	Eldorado Gold	Toronto
May 11	Gunnar Gold	Toronto
May 11	St. Anthony Gold	Toronto
May 12	C. W. Lindsay	Montreal
May 13	International Paper	New York
May 18	Ventures Ltd.	Toronto
May 18	Credit Fon. Franco-Can.	Montreal
May 18	Guysborough Mines	Toronto
May 27	Fafic Investment	Montreal

Mining Dividends

	Rate	May 4	%
Anglo-Huronian	▲10c	1.75	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	.95	16.8
Bayonne	†1c	.03½	..
Beattie Gold	16c	.60	..
Berens River	3c	.65	..
Bralorne	80c+40c	6.75	*17.8
Broulan Porc.	12c	.40	..
Buffalo Ankerite	▲30c	1.09	..
Bulolo Gold	$3	8.00	..
Can. Malartic	8c	.35	..
Cariboo Gold	16c+1c	1.10	*15.4
Central Patricia	16c+4c	.84	*23.8
Chesterville	▲15c	.71	..
Cochenour Willans	6c	.52	11.5
Coniagas	10c	1.05	..
Coniaurum	16c	.68	23.5
Cons. Smelters	$1+$1.50	38.00	*6.6
Delnite	6c	.35	..
Dome Mines	$1.60	11.87	13.5
East Malartic	5c	1.38	..
Falconbridge	20c	2.75	7.2
Francoeur Gold	▲4c	.20	..
Goldale Mines	2c	.06⅝	..
Gold Belt	▲2c	.15	..
Grandview	1c	.15	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	1.90	21
Hard Rock	▲8c	.36	..
Hedley Mascot	8c	.26	..
Hollinger	65c+45c	7.75	*14.2
Howey Gold	▲4c	.14½	..
Hudson Bay	$2	23.50	8.5
Inspiration	▲2c	.22	..
Inter. Nickel, com.	$2	29.75	6.7
Island Mountain	8c	1.02	..
Jason	4c	.15	..
Kerr-Addison	10c	3.40	..
Kerr Lake	5c	.50	..
Kootenay Belle	▲8c	.19	..
Kirkland Lake	8c	.43	..
Lamaque Gold	40c+15c	3.60	*15.2
Lake Shore	80c	7.10	11.3
Leitch	8c	.47	..
Little Long Lac	▲20c	.90	..
Macassa	32c+3c	2.06	*17
Madsen R. Lake	▲3c	.40	..
Malartic Gold	10c	1.30	..
McGillivray Coal	2c	.18	..
McKenzie Red L.	12c	.55	21.8
Moneta	8c	.21	..
McIntyre-Porc.	$2.22+$1.11	37.00	*9
MacLeod-Cockshutt	10c	1.10	..
Negus	2½c	.32	..
Nipissing	15c	.83	18.1
Noranda	$4	42.75	9.4
North Empire	▲40c	3.75	..
O'Brien Gold	3c	.50	..
Pamour Porc.	18c	.58	..
Pato Cons.	20c+2c	2.00	*11
Pend Oreille	†6c	1.18	..
Perron Gold	16c+4c	1.08	*18.5
Pioneer, B.C.	40c	1.35	..
Pickle Crow	30c	1.43	20.9
Placer Develop.	$1.20	4.25	..
Premier	8c	.42	19
Preston E. Dome	20c	1.76	11.3
Privateer Mines	12c+1c	.28	..
Quebec Gold	2c	.20	..
Reno Gold	•20c	.03	..
San Antonio	14c+6c	1.43	*14
Sheep Creek	16c+1c	.68	*25
Sherritt Gordon	10c	.68	..
Sigma Mines	30c	4.25	..
Silbak Premier	16c	.65	24.6
Siscoe	6c	.36	..
Sturgeon River	2c	.09	..
Sudbury Basin	2½c	1.25	..
Sullivan Cons.	▲8c	.50	16
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.28	15.6
Teck-Hughes	40c	1.75	22.8
Toburn	12c+4c	.85	*18.8
Upper Canada	▲14c	.67	..
Ventures	▲20c	3.15	..
Waite Amulet	40c	4.10	..
Wendigo	3c	.14	..
Wright-Harg.	40c+20c	2.00	..
Ymir Yankee	▲2c	.02¾	..

▲Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date. •Capital distribution.

Dividends Declared

	This payment	Date payable	Date of record
Aunor Gold	4c	June 1	May 15
Agnew-Surpass, p.	$1.75	July 2	June 15
Aluminium	$2	June 5	May 15
Do., pref.	†$1.50	June 1	May 8
Beath & Son	80c	July 1	June 15
Bk. Can. Nationale	$2	June 1	May 15
Barber Ellis, c.	12½c	June 15	Mar. 31
Bk. of Montreal	$2	June 1	Apr. 30
Bk. of Toronto	$2.50	June 1	May 15
Borden Co.	30c	June 1	May 15
Bruck Silk	10c	June 15	May 9
Brew. & Distillers	▪50c	May 20	Apr. 30
Do., extra	▪10c	May 20	Apr. 30
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Calgary & Edm.	5c	May 15	Apr. 15
Canadian Oil, c.	25c	May 15	May 1
Cockshutt Plow	25c	June 18	June 4
Confederation Life	$1.50	June 30	June 25
Do.	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Can. Cr. Stone	10c	June 15	June 1
Can. Wire & C., A	$1	June 15	May 31
Do., B	50c	June 15	May 31
Do., pref.	$1.62½	June 15	May 31
Can. Ind. Alc., A, B	10c	June 1	May 20
Canada Dry	†15c	June 10	May 22
Canada Malting	50c	June 15	May 30
Can. Marconi	4c	June 1	Apr. 15
Commoil	.00½c	May 25	May 15
Corr. Pap. Box, pf.	$1.75	June 1	May 15
Cosmos Imp.	30c	May 15	Apr. 30
Crown Cork	50c	May 15	Apr. 30
Commw'th Intnl.	4c	May 15	Apr. 15
Can. Bakeries, p.	*$2.50	June 1	May 18
Can. Breweries, pf.	85c	July 2	June 15
Can. Fairbanks, c.	$2	June 1	May 15
Cons. Div. Std. Sec., p.	37½c	June 15	May 30
Crow's Nest Coal	▪$1.50	June 2	May 9
Can. For. Inv., pref.	$2	July 1	May 15
Dome Mines	▪40c	July 20	June 30
Delnite Mines	3c	May 29	May 9
Dom. Ang. Inv., pf.	$1.25	June 1	May 15
Dom. Bridge	30c	May 23	Apr. 30
Dom. Scot. Inv., pf.	▪$1	June 1	May 20
East. Steel Prod., c.	25c	June 1	May 15
Federal Grain, p.	$2	June 1	May 15
Ford Motor	25c	June 20	May 30
Gen. St. Wares, p.	$1.75	May 20	May 8
Do., participating	28c	May 20	May 8
Goldale Mines	2c	May 11	Apr. 25
Granby Cons.	†▪10c	June 1	May 15
Do., extra	†▪5c	June 1	May 15
Hollinger Cons.	5c	May 20	May 6
Honey Dew	50c	July 2	June 15
Hallnor Mines	10c	June 1	May 15
Hedley Mascot	2c	May 15	Apr. 22
Home Oil	▪15c	June 15	May 15
Island Mtn.	8c	May 25	May 1
Imp. Varnish, c.	12½c	June 1	May 20
Do., pref.	37½c	June 1	May 20
Inter. Nickel, c.	†50c	June 30	June 1
Langley's, pfd.	▪50c	June 11	June 2
Do.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lamaque Gold	10c	June 1	May 8
Do. extra	5c	June 1	May 8
Lake of W. Mill.	30c	June 1	May 15
Do., pref.	$1.75	June 1	May 15
Laura Secord	20c	June 1	May 15
Leitch Gold	2c	May 15	Apr. 30
Loblaw, A, B	25c	June 1	May 9
Do., extra	12½c	June 1	May 9
McIntyre-Porc.	55½c	June 1	May 1
Noranda Mines	$1	June 15	May 20
National Biscuit, p.	†$1.75	May 29	May 12
Ont. Steel Prod.	25c	May 15	May 9
Do., pref.	$1.75	May 15	May 9
Para. Pictures	†25c	July 1	June 17
Do., 1st pref.	†$1.50	July 1	June 17
Prov. Bank	$1.50	June 1	May 15
Paton Mfg.	$1	June 15	May 31
Do., pref.	$1.75	June 15	May 31
Penmans	75c	May 15	May 5
Privateer Gold	3c	May 10	Apr. 25
Quebec Power	25c	May 25	Apr. 23
Royal Bank	$2	June 1	Apr. 30
Regent Knitting pfd.	‡40c	June 1	May 15
Reliance Grain, p.	$1.62½	June 15	May 30
Rolland Paper	15c	May 15	May 4
Do., pref.	$1.50	June 1	May 15
South. Can. Pwr.	20c	May 15	Apr. 30
Shaw. W. & Power	22c	May 25	Apr. 28
Sher.-Williams, pf.	$1.75	July 2	June 15
Sherritt Gordon	▪5c	May 29	Apr. 24
Stuart, D. A. Oil, p.	20c	June 1	May 15
Sylvanite Gold	5c	June 30	May 9
Siscoe Gold	1½c	Jun 15	May 13
Teck Hughes	▪10c	June 1	May 8
Toburn Gold	3c	May 22	Apr. 22
Do., extra	1c	May 22	Apr. 22
Union Gas	20c	June 15	May 20
United Corp., A	37c	May 15	Apr. 15
Waite Amulet	10c	June 10	May 25
Walker, Hiram	$1	June 15	May 22
Do., pref.	25c	June 15	May 22
Wilsil	25c	July 1	June 15

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
‡Also 40c payable Sept. 1 and Dec. 1.
*Eliminates arrears.

N. B. Power Sells Tram System

From Our Own Correspondent

MONTREAL. — New Brunswick Power Co. announces sale of the company's street railway system in Saint John to the United Service Corp., of Halifax, according to an official statement issued by W. P. Southard, vice-president and general manager.

The announcement followed an order by Chief Justice J. B. M. Baxter dissolving an interim injunction granted the City of Saint John and province, until certain legal questions had been settled.

Line Elevators Charge Pools Evading Taxes

A charge that the wheat pool elevator of Manitoba, Saskatchewan and Alberta are able to give patronage dividends only because they are "robbing Peter to pay Paul" is made in circulars being issued by the Line Elevator Co. of Winnipeg.

One circular, dealing with the Manitoba wheat pool, alleges that it has failed to live up to its promise to pay interest and return the principal on money borrowed from Manitoba farmers on wheat and coarse grains delivered in the years 1924-29, when two cents a bushel was deducted for the building of elevators.

"The pool accounts for the year ended July 31, 1930," it says, "provided an amount of $166,745 for payment of the annual interest charges at 6% to farmers on these deductions. The amount, however, was never distributed and no interest has been paid since July 31, 1929, despite the fact that the Manitoba pool on numerous occasions reaffirmed its solemn obligation to its farmer members and indicated that the moneys so borrowed would be returned to them."

The circular claims the Manitoba pool also made a commercial reserve deduction amounting to approximately 1½ cents a bushel on wheat and slightly less on coarse grains.

"It is obvious," it goes on, "that the Manitoba pool properly owes the Manitoba farmer: 1—The $2,778,518 which they borrowed from farmers for elevator and commercial reserves; 2—Interest on this money amounting to $2,815,008."

Line Elevator Companies also contend that the Manitoba pool elevators have been escaping payment of Dominion income and excess profits tax. It holds that the Manitoba pool should have paid the federal treasury $731,471 in the years 1930 to 1941. The pool is also attacked on the score that its borrowings from the Manitoba government, given as $3.3 millions, were reduced by the government to $2.1 millions.

"If the pool were to live up to its undertaking to pay interest to farmers on the money which it borrowed from farmers, and pay taxes, as everyone else is doing, in the defense of our country (which includes the defense of co-operative principles and even the defense of the pool elevator system) they would be in no position to pay any patronage dividends," says the circular.

Broadens Charges

A second circular makes similar allegations against the Saskatchewan pool, which is said to have made deductions for elevator building and commercial reserve totalling $18.7 million, with the promise to pay at 6%. It is stated that this interest has not been paid since 1929, and now amounts to $19 millions.

Saskatchewan pool elevators, the circular says, have evaded income and excess profits taxes to the tune of $3.2 millions.

The Alberta pool, according to the third circular, in the years 1923-29 deducted for elevators and commercial reserve a total of $7.4 millions, and in addition to this retained $1 million due Alberta farmers as final payment on the 1928 crops. Interest and repayment of principal was also promised in this case, it is claimed. The interest on the money, in the years since it was deducted, or retained, is computed as $8.5 millions. The Alberta pool, says the circular, has evaded income and excess profits taxes amounting to $778,732 in the years 1930-41.

Wheat Flour Output Up

Both Production and Exports Well Ahead This Year to Date

Canada's milling industry in March this year was busier than in any month since Nov., 1941, according to figures released by the Dominion Bureau of Statistics. In producing 1.8 million bbls. of wheat flour the industry operated at 77.7% of capacity.

In the eight months of the crop year which began Aug. 1 last Canada has produced 13.3 million bbls. of wheat flour compared with 11.6 million bbls. in the corresponding months of the previous crop year. In the same period exports of wheat flour have totalled 6.8 million bbls. compared with 4.4 million bbls. in the 1940-41 period.

How wheat flour production, exports and percentage of operation compares is shown in the table which follows:

	Wheat Flour Production 000 Bbls.	% Capacity	Exports 000 Bbls.
1941:			
August	1,852	82.5	1,437
September	1,648	74.6	661
October	1,596	69.9	441
November	1,665	79.4	587
December	1,577	71.5	930
1942:			
January	1,556	71.3	750
February	1,585	73.5	1,056
March	1,807	77.7	899
8 months	13,286		6,762

Western Seeding Delay Ensures Cut in Wheat

From Our Own Correspondent

WINNIPEG.—Interest in western grain circles is centred mainly on the progress of seeding. That process is so late in all provinces that it is believed farmers would not be able now to put in a full wheat acreage if they desired to do so, and it seems probable that there will be a considerable drop even from last year's reduced wheat acreage.

Observers, however, have to remind themselves of the great speed with which seeding can now be accomplished with power driven machinery, especially when such machinery is kept going night and day as is the custom when farmers are in a hurry.

Parts of the country, more especially in Manitoba, looked only a few days ago as if they would not possibly dry up enough for a long time to enable farmers to get on the land. Disappearance of the last vestiges of frost in the subsoil, has greatly increased its absorptive power, while a few days of drying weather have worked wonders. Manitoba farmers are not worrying over inability to get wheat in, as to many of them the production of oats and barley, under the guaranteed prices available this year, offers a more attractive alternative, and there is still plenty of time for all other grains than wheat. Chief worry of Manitoba farmers is that they have a good deal of work to do on the land before it is in shape for seeding, as wet weather last fall prevented the usual amount of fall work being done before freeze-up.

Saskatchewan is now plentifully supplied with moisture for the immediate present, and seed will be sown in full confidence of its satisfactory germination. However, over a large part of the province there is nothing like the plenty of moisture which prevails in Manitoba, and good rains throughout the growing season will be necessary to ensure a satisfactory crop.

On the whole moisture conditions are less satisfactory in Alberta than in the other two provinces, although there is plenty of time for the deficiency to be remedied. In the meantime farmers in southern Alberta have got farther ahead with seeding than farmers in other areas.

Railway Earnings Seen at Peak

Only a moderate increase in net earnings from railway operations may be anticipated during the remainder of the year according to a statement by D. C. Coleman, newly elected president of the Canadian Pacific Railway at the annual meeting.

Other income is difficult to estimate but it is improbable it will be higher than in 1941 much will depend upon operations of ocean steamships. Hotels at Lake Louise, Yarmouth, Emerald Lake and four of the lodges in the Rocky Mountains will not be opened this summer because of the expected reduction in long distance holiday travel. Fixed charges will be lower but in the circumstances Mr. Coleman said it would be unwise to attempt any definite forecast as to amount of net income during year.

Wheat Deliveries Reduced by Half

From Our Own Correspondent

WINNIPEG. — Deliveries of wheat by western farmers during the current crop year now total just over 180 million bushels, or practically one half the quantity delivered during the previous year. General estimates are that perhaps another 20 million bushels may be delivered before the end of July, probably most of it in that month. Farmers who have not had to haul their wheat before seeding will probably hold it as long as possible before new crop delivery quotas become effective, in the hope either of a rise in price or of collecting farm storage from the Wheat Board if they deliver to that body.

Flour Exports At High Level

From Our Own Correspondent

MONTREAL.—Export demand for Canadian flour is still strong. Last March 899,399 bbls. left the country. This contrasted with 559,139 bbls. in the same month last year. Compared with February, however, there was a decline of 187,000 bbls., a direct reflection of the current shipping situation.

Flour exports in the first eight months of the current crop year, from Aug. 1 to March 31, totalled 6,761,506 bbls. This represented an increase of 52.8% over the 4,425,746 bbls. shipped in the like period of the preceding year.

Record Good Gain

A more comprehensive idea of the increase in exports may be gained by the fact that the volume of trade in the eight months' period exceeded by a substantial margin the average for the full calendar year in the preceding 10-year period.

	1941-42 Bbl.	1940-41 Bbl.	1939-40 Bbl.
March	899,399	559,139	715,579
Feb.	1,086,348	606,757	559,338
Jan.	750,363	354,818	725,316
Dec.	930,236	345,611	902,714
Nov.	586,513	682,718	572,810
Oct.	441,067	750,193	444,144
Sept.	661,014	550,754	416,553
Aug.	1,436,566	575,756	379,276
Total	6,761,506	4,425,746	4,715,730

Prices Display Firm Trend

Despite price ceilings on goods offered for sale at retail, quotations on various basic products continue to show an upward trend with weekly price indices mostly higher. Of the three spot indices, two have been higher and one unchanged with Dow Jones index of future commodity prices also higher.

On the Canadian market, strength was most noticeable in livestock, prices of both cattle and hogs moving upward. They are still considerably below the high levels reached a few weeks ago. Offerings of cattle on the domestic markets have been heavier. Two reasons are that prices on the U. S. markets have been easier while the heavy export shipments made since April 1 have left a relatively small proportion of the quota for the second quarter unfilled. Larger shipments have been coming to Canadian markets accordingly. Demand is stated to be good as packers replace their depleted stocks. Hogs sell readily under the strong bacon demand from the United Kingdom.

	Latest week	Previous week	Same week last yr.
Cattle	$10.69	$10.28	$8.57
Hogs	15.25	15.18	11.19
Copper, lb.	.12	.12	.12
Cotton, lb.	.2095	.2097	.1173
Sugar, raw, lb.	*.0374	.0374	.0338
Wheat, Man. (bu.)	.79¼	.79¼	.75⅝
Coffee, lb.	*.09⅜	.09⅜	.06¾
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.6	98.3	83.0
Wood, Gundy	77.0	77.0	70.0
Dow Jones (fut.)	87.29	87.01	65.73
Fishers	106.5	106.3	89.9
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)†	115.9	115.7	108.2
W'sale (Mar.)	95.1	94.6	85.9
U. S. (Feb.)	96.7	96.0	80.8
Gt. Brit. (Jan.)	156.4	155.9	149.5

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

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Prairie Farmers are Doing Their Full Duty

Our prairie farming families are doing their full duty in Canada's war effort. They are reducing their wheat acreage and are substituting those vitally needed products for which our Government is asking.

The prices our farmers receive for their products are now much better than in recent years, yet prices are still far short of the comparative wages paid to industrial labour.

The enlistment of young men from our prairies has been high, and so our farm women have to perform much more work than usual.

That our prairie farmers are loyal, and that their activities are assisting in Canada's war effort, is the most emphatic opinion based on first hand knowledge of the—

SEARLE GRAIN COMPANY, LIMITED
WINNIPEG REGINA SASKATOON EDMONTON
CALGARY FORT WILLIAM VANCOUVER

Company Reports

Paramount Pictures

Paramount Pictures Inc., reports consolidated net profits for 1941 equivalent to $3.03 per common share as compared with $2.14 a share for 1940. Consolidated earnings, including the company's share of undistributed earnings of partially owned companies, aggregated $10½ millions in 1941. Comparative figures for 1940 were $7.6 millions.

The directors have placed the common stock on a regular dividend basis of 25 cents quarterly.

The consolidated balance sheet showed that the company held $12.1 millions in cash at January 3 this year and total current assets were $40.3 millions. With current liabilities of $11.1 millions, working capital amounted to $29.2 millions as compared with $27.3 millions at Jan. 4, 1941.

Considerable changes took place in the company's funded debt during last year. On Jan. 4, 1941, there was outstanding $10.2 millions of 3½% convertible debentures, due March 1, 1947. An additional $2.5 millions of these debentures were sold to banks in February last year. In Oct., 1941, holders of these 3¼% debentures and certain other corporate notes of the company were given the right to exchange these securities for an equal amount of 4% debentures, due 1956. As a result of the exchange offer, $11.3 millions of the 3¼% debentures and $6.3 millions of corporate notes were exchanged. Balance of the 3¼% debentures, amounting to $1.3 million, were redeemed Dec. 12, 1941. On Jan. 3, 1942, there was outstanding $17.6 millions of the new 4% debentures after deducting $20,000 held in the treasury. Since Jan. 3 this year an additional $1.2 mililon of these debentures have been issued and exchanged for corporate notes and other obligations, and the company has acquired $1¼ million of these debentures for sinking fund purposes.

Last year the company acquired 7,800 shares of first preferred stock having a par value of $780,000 at a cost of $770,028. The same period, 307,460 shares of second preferred stock was converted into 276,714 common shares. Of the 225,010 shares of second preferred outstanding at Jan. 3, this year, 173,000 shares were subsequently converted into 106,510 common shares and remaining 51,110 shares redeemed Feb. 3, 1942, at $10.06 a share.

Income and Surplus Account Years Ended Dec. 31	1942 $	1941 $
Total income	104,459,727	98,945,782
Less: Oper. exps.	85,498,143	86,354,783
Operating profit	18,961,584	12,590,999
Add: Other income	179,323	......
Foreign exch. adj.	72,842	10,526
Total earnings	19,213,649	12,601,525
Less: Depreciation	3,255,933	3,152,454
Interest	1,326,116	1,360,451
Inc. & E. P. taxes	3,744,725	957,626
Minority interest	179,616	256,471
Res. foreign losses	174,814	35,878
Capital losses	......	10,798
Conting. reserve	1,326,500	523,782
Net profit	9,206,042	6,304,065
Less: Pref. divds.	1,058,619	1,164,256
Common dividends	2,309,351	1,109,667
Surplus for year	5,838,072	4,030,142
Add: Prev. surplus	14,654,685	10,526,477
Disc. on debs.	200	98,066
Surp cos. consol.	474,966	......
Less: French, Belgian subsids. w/o	1,388,251	......
Earned surplus fwd.	19,579,672	14,654,685
Earned per share:		
Common	$3.03	$2.14
Paid	0.90	0.45
Working Capital		
Current assets	40,273,889	35,304,371
Current liabilities	11,108,625	7,974,517
Working capital	29,165,264	27,329,854

Canada Machinery

Volume of business for the year ended Jan. 31, 1942, was the largest in the history of the company, C. H. Easson, president of Canada Machinery Corp., reports. Unfilled orders on the company's books are about equal to volume of a year ago.

"It is expected, however," states Mr. Easson, "that the demand for machine tools will very shortly decline due to the fact that many of the new plants being erected for the production of munitions for the war are now nearing completion."

A number of out-dated machines had to be replaced last year and further capital expenditures found necessary to provide Sandilands Valve Manufacturing Co. with larger premises and increased facilities. This wholly-owned subsidiary shows a satisfactory growth in volume of business and this condition is expected to continue.

Net profits for the past year were equivalent to $7.50 a share on the 24,000 common shares outstanding and dividends of $1 a share were paid. Balance shows improved working capital and funded debt reduced.

Consol. Income and Surplus Account Years Ended Jan. 31	1942 $	1941 $
Operating profit	621,194	383,239
Less: Exec. remun. & legal fees	25,271	22,006
Directors' fees	3,100	1,750
Depreciation	94,033	63,564
Interest	33,700	9,399
Income & E. P. taxes	280,333	169,409
Amort. debt disc.	4,214	......
Reorg. expense	......	8,535
Net profit	180,443	108,576
Less: Pref. divds.	357	21,087
Common divds.	24,000	......
Surplus for year	156,086	87,489
Add: Prev. surplus	187,739	150,130
Profit on assets	5,447	549
Less: Tax adjusts.	986	4,036
Misc. w/o	270	15,193
Cap. surplus trans.	......	31,200
Earned surplus fwd.	348,017	187,739
Earned per share:		
Common	$7.50	$3.65
Paid	1.00	....
Working Capital		
Current assets	933,681	650,003
Current liabilities	469,220	319,684
Working capital	464,461	330,319
Balance Sheet Changes	$	$
Cash	210,586	100,065
Investments	76,750	......
Inventories	473,964	358,138
Funded debt	620,000	650,000

York Knitting

York Knitting Mills, Ltd., reports sales for 1941 4.6% higher than in 1940. A substantial portion of plant capacity is engaged in manufacture of yarns, hosiery, underwear and sweaters for war purposes, states J. Douglas Woods, president. Two wage increases, one of 10% in October, 1940, and another of 5% in July, 1941, added $168,952 to the 1941 wage bill.

Both operating earnings and net profits for 1941 were below those of 1940. Net profits, after allowing for preferred dividends, were equivalent to 45 cents a share on the common against 61 cents a share in 1940. Dividends paid last year on the common were 40 cents a share, up 10 cents from the previous year.

The company spent $30,051 on new plant in 1941. Obsolete machinery having a net book value of $15,000 was scrapped.

Income and Surplus Account Years Ended Dec. 31	1941 $	1940 $
Operating profit	474,709	516,454
Add: Other income	2,550	7,880
Total earnings	477,259	524,334
Less: Depreciation	114,303	110,096
Interest	36,021	37,771
Inc. & E. P. taxes	142,000	130,000
Invent. reserve	50,000	75,000
Net profit	134,935	171,467
Less: Pref. divds.	31,500	31,500
Com. divds.	91,605	68,704
Surplus for year	11,830	71,263
Add: Prev. surp.	1,030,088	958,120
Profit on secs.	......	705
Earn. sur. fwd.	1,041,918	1,030,088
Earned per share:		
Common	0.45	0.61
Paid	0.40	0.30
Working Capital		
Current assets	2,322,914	2,779,200
Current liabilities	956,612	1,426,836
Working capital	1,366,302	1,302,364
Balance Sheet Changes		
Invent. (after res.)	1,644,664	2,091,668
Bank loans	422,782	1,010,021
Funded debt	800,000	850,000

Granby Elastic Web

Granby Elastic Web which undertook public financing the early part of 1940, reports net earnings in 1941 of $301,733. After provision for taxes and other charges, net profit of $64,390 was available on the capital stock. Preferred dividends absorbed $26,620, leaving a balance equivalent to $1.25 a share on the outstanding common stock. In the 9 months ended Dec. 31, 1940, net profits totalled $31,875.

The balance sheet as at the end of 1941 shows net working capital of $339,623, as against $277,165 at the close of the preceding year. In his report, P. H. Boivin, president, said rubber restrictions have curtailed to a large extent normal production of elastic web. "However, your company has been fortunate in obtaining a considerable amount of business which is contributory to Canada's war effort, and under these circumstances rubber restrictions should not materially affect the earnings of the company."

Income and Surplus Account	12 Mos. to Dec. 31 1941 $	9 Mos. to Dec. 31 1940 $
Total earnings	301,733	196,329
Less: Exec. remun.	26,583	16,208
Directors fees	5,600	2,700
Legal fees	4,578	81
Depreciation	74,463	74,966
Income & E. P. taxes	125,000	72,500
Ins. premiums	1,119	......
Net profit	64,390	31,875
Less: Pref. divds.	26,620	18,490
Pfd. reserve	12,878	......
Surplus for year	24,892	13,385
Less: Prev. deficit	2,615	......
Cont. reserve	15,000	16,000
Add: Adjustments	5,728	......
Earned surplus fwd.	13,005	2,615
Earned per share:		
Common	$1.25	......
Working Capital As at Dec. 31	$	$
Current assets	647,370	524,082
Current liabilities	307,747	246,917
Working capital	339,623	277,165
Balance Sheet Changes		
Cash	96,890	134,405
Investments	50,516	31,598
Accounts receivable	156,211	120,007
Inventories	343,752	238,070
Fixed assets	712,679	664,912
Less: Depreciation	140,428	74,965

Maritime Electric

Maritime Electric Co. reports a moderate decrease in both operating and net profits for 1941 compared with 1940. Earnings on the common stock amounted to $12.68 a share, as against $11.15 the year before.

Income and Surplus Account Years Ended Dec. 31	1941 $	1940 $
Operating profit	611,974	551,345
Less: Expenses	400,764	366,322
Total earnings	211,210	185,023
Less: Depreciation	58,371	56,293
Interest	63,926	64,794
Income & E. P. taxes	43,563	23,494
Other interest	915	1,117
Bond premium	45	340
Net profit	44,390	39,035
Less: Common divds.	21,000	21,000
Surplus for year	23,390	18,035
Add: Prev. surplus	76,611	58,576
Earned surplus fwd.	100,001	76,611
Earned per share:		
Common	$12.68	$11.15
Paid	6.00	6.00
Working Capital	$	$
Current assets	142,791	158,344
Current liabilities	108,896	114,712
Working capital	33,895	43,632
Balance Sheet Changes	$	$
Investments	10,000	......
Funded debt	1,341,500	1,357,500
Fixed assets	2,055,272	2,019,352

Dom. Textile On Capacity Basis

From Our Own Correspondent

MONTREAL. — Operations of Dominion Textile Co. are continuing at close to effective capacity. This condition applies to all plants operated by the company.

There has been no letdown in demand. At present it is estimated that approximately one third of the total output is directly on war account; another third on essential needs (indirectly for war needs) and the balance for civilian consumption.

Wheat Prices

Winnipeg Grain Futures

Week to May 4, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close May 4
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77½	July	.80⅝	.80⅝	.80⅝
		Oats			
.51½	.38⅛	May	.51½	.51½	.51½
.51¾	.42⅛	July	.51½	.51½	.51½
.50⅝	.46	Oct.	.50⅝	.49⅞	.50¼
		Barley			
.64¾	.49⅝	May	.64¾	.64¾	.64¾
.64¾	.55⅛	July	.64¾	.64¾	.64¾
.63⅞	.57	Oct.	.63⅜	.63⅛	.63⅛
		Rye			
.67⅞	.52¾	May	.63¾	.61⅞	.63¾
.66⅝	.53¼	Oct.	.64½	.63¼	.64½
[illegible]	[illegible]	July	[illegible]	[illegible]	.65⅝

Cash Quotations

For Week

	May 4 High	May 4 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Hard	.79¼	.79¼	.79¼	.79⅛
1 Nor.	.79⅜	.79¼	.79¼	.79⅛
2 Nor.	.76½	.76⅛	.76⅛	.76
3 Nor.	.73¾	.73½	.73¾	.73¼
4 Nor.	.72¼	.72	.72¾	.72¼
5 Wheat	.70	.70	.70	.70
6 Wheat	.67¾	.67¾	.67¾	.67¾
Feed	.65¼	.65¼	.65¼	.65¼
Oats:				
2 C. W.	.51½	.51½	.51½	.51⅜
3 C. W.	.48⅞	.48½	.49¼	.48¾
Barley:				
1 Feed	.60¾	.60¾	.60¾	.60¾
2 Feed	.59⅝	.58⅝	.59½	.59½
Rye:				
2 C. W.	[illegible]	[illegible]	[illegible]	[illegible]

Winnipeg Hydro Profit Eases

City of Winnipeg's Hydro Electric System had a net profit in 1941 of $461,373 compared with $487,576 in 1940. The steam heating utility had a net operating loss of $15,606 compared with a loss of $19,592 in the previous year.

The report states that demand for electrical energy has continued to follow the rising trend which began in 1940. The maximum load for 1941, measured in Winnipeg, was 87,000 kilowatts, an increase of 3,700 kilowatts. While the normal energy sales were almost 14 million kw.h. greater than in 1940, there was less off-peak energy available because of the unusual water conditions prevailing in the Winnipeg River during the first and last quarters of the year.

In the autumn of 1941 the cycle of low precipitation over the Winnipeg River watershed ended abruptly with a period of extremely heavy rainfall. Flood conditions along the Winnipeg River developed and the flow at the power plants rose from an average of 17,800 cubic feet per second in August to a maximum of 77,000 on Nov. 6. By the end of the year flow had subsided to 40,000 cubic feet per second.

The report adds that although the maintenance and renewal of properties for both utilities were adequate in 1941, the problem of obtaining sufficient supplies from now on must be expected to become more and more acute while wartime conditions prevail.

Silverwood Dairies, Ltd. was able to increase its net profits in the year ended March 31, 1942, over the 80 cents a share earned on its preference, The Financial Post is told. The increase may not be very substantial, it is understood. The company has so far been able to maintain sales volume satisfactorily and has found moves made toward simplification and elimination of unnecessary service a considerable help.

NOTICE

Canada Machinery Corporation, Limited

The Annual Meeting of the Shareholders of the CANADA MACHINERY CORPORATION, LIMITED, for receiving the Report of the Directors and Auditors of the Company, the election of Directors for the ensuing year, and such other business as may be properly transacted at an Annual Meeting, will be held at the Head Office of the Company, Galt, Ontario, on Wednesday, the twenty-seventh day of May, 1942, at 12 o'clock noon.

By Order of the Board.

J. G. GIBSON,
Secretary.

Dated at Galt, Ontario,
May 1st, 1942.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

Dividend Number 357

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 20th day of May, 1942, to shareholders of record at the close of business on the 6th day of May, 1942.

Dated the 29th day of April, 1942.

P. C. FINLAY,
Secretary.

W. D. Beath & Son, Limited

Dividend Notice

Notice is hereby given that the Company has declared a dividend of eighty cents (80c) per Class "A" Share, on its issued and outstanding Class "A" Shares, payable on July 1st, 1942, to shareholders of record as of the close of business on June 15th, 1942.

O. A. LEFRANCOIS,
Secretary-Treasurer.

Toronto, April 29th, 1942.

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum), has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 30th day of May, 1942. This dividend, bearing the number 205, will be payable at the Main Office or at the branches of the Bank, on or after the first day of June, to the shareholders of record on May 15th.

By order of the Board.

CHARLES ST-PIERRE,
General Manager.

RELIANCE GRAIN COMPANY LIMITED

6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of one and five-eighths per cent (1⅝%) per share, being the dividend for the quarter ending May 31, 1942, has been declared and authorized to be paid on June 15, 1942, to all preference shareholders of record with the transfer agents of the Company at the close of business on May 30, 1942.

By order of the Board,

A. W. GIBB, Secretary.

Winnipeg, April 15, 1942.

DIVIDEND NOTICES

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company, payable on June 1st, 1942, to shareholders of record at the close of business on May 15th, 1942.

By order of the Board.

D. A. MacINNES,
Secretary.

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of 30 cents per share has been declared on the outstanding shares of the Common Stock of the Company, payable on June 1st, 1942, to shareholders of record at the close of business on May 15th, 1942.

By order of the Board.

D. A. MacINNES,
Secretary.

Federal Grain Limited

DIVIDEND NOTICE

TAKE NOTICE that a Dividend of $2.00 per share on the 6½% cumulative preference shares of the Company, on account of arrears of Dividends, has been declared, payable on June 1st, 1942, to shareholders of record at the close of business on May 15th, 1942.

The transfer books of the Company relating to the said preference shares will be closed from the close of business on May 15th, 1942, until the close of business on June 1st, 1942.

By Order of the Board,

R. C. GAGE,
Secretary.

Winnipeg, Manitoba,
May 1st, 1942.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICES

PREFERRED DIVIDEND NO. 53.

TAKE NOTICE that the regular Quarterly Dividend of $1.625 per share, on the outstanding Preferred Stock of the Company for the three months' period ended 31st May, 1942, has been declared as Dividend No. 53, payable 15th June, 1942, to Shareholders of record at the close of business, 31st May, 1942.

CLASS "A" DIVIDEND NO. 27.

ALSO TAKE NOTICE that a Dividend of $1.00 per share on the outstanding Class "A" Common Shares of the Company has been declared as Dividend No. 27, payable 15th June, 1942, to Shareholders of record at the close of business, 31st May, 1942.

CLASS "B" DIVIDEND NO. 17.

ALSO TAKE NOTICE that an Interim Dividend of 50 cents per share on the outstanding Class "B" Common Shares of the Company has been declared as Dividend No. 17, payable 15th June, 1942, to Shareholders of record at the close of business, 31st May, 1942.

By Order of the Board.

A. I. SIMMONS,
Secretary.

Toronto, 20th April, 1942.

What's Ahead for Newsprint Securities

Picture Not Rosy at Present, But Could Change Rapidly

By **JOHN LANGDON**

MONTREAL—Holders of newsprint stocks once again are "taking it on the chin." Newsprint stocks as a group have sunk to the lowest point in the last year and a half. On the other hand bond values have held up very well.

There are many reasons for this situation. Overseas markets have been badly hit by lack of shipping space. Advertising linage, and in turn consumption of paper by newsprint publishers in the United States, is on the downward grade. Production of emergency paper products has slowed up sharply. Power supplies may be commandeered for more urgent use in manufacture of aluminum. Publishers have accumulated stocks over and above their anticipated requirements.

The list could be extended. On the other hand, there are points in favor of the newsprint companies and under other circumstances might justify a better market for securities. The financial position of the operators now is better than it has been in years past. Bank loans have been eliminated or reduced to negligible proportions. Inventories are in good shape. Earning power last year was the best reported since 1937; in some cases, even better.

It is difficult to say if the market has over-discounted the immediate outlook for the newsprint industry. On the other hand, the outlook certainly is not as bright as a year ago.

Survey of Situation

Here is the situation as seen at present:

There will be no shortage of capacity to take care of newsprint requirements this year. Charles Vining, president of the Newsprint Association of Canada, is authority for that statement.

It is true many of the machines are not working to capacity or anything like capacity.

With most mills the wood supply is not an immediate concern. However, it may be more pressing next winter.

Power Restriction

The power supply situation does not look overly hopeful. More and more power is going to be needed for war industries, particularly the aluminum industry.

Word has gone out already that the newsprint industry will have to give up some of its power next winter, if not sooner. This condition is expected to apply almost solely to the Quebec mills and especially to those in the Saguenay and St. Maurice regions, together with the possibility of the Ottawa-Gatineau area being affected in time.

So far as can be learned the Power Controller has not issued definite instructions to the newsprint companies as to the amount of power they will have to give up, or as to when they will have to release it for aluminum manufacture.

However it is taken for granted such regulations will be forthcoming just as soon as it is possible to gain a proper perspective of next winter's power requirements.

The earlier such an announcement is made, the better for the newsprint industry. It will give the latter time to re-allocate the tonnage affected; arrange for wood supplies at those mills taking on the additional business, etc.

Overseas Market

The overseas market has been badly hit, due to a variety of causes, but chiefly, to the lack of shipping space. Exchange regulations have curtailed demand from some markets. Rationing of newsprint supplies also has had its effect. But by far the most serious phase of the overseas export trade, is that the shipping space which ordinarily would be allotted to newsprint, is required for war supplies.

In recent years the overseas market has been good for at least 500,000 tons of Canadian newsprint. This year the figure will be considerably less, even though there may be an improvement in the shipping situation between now and the end of the year.

New Supply Sources

There is another feature of this overseas trade which has drawn little attention, namely, development of new sources of supply.

Australian publishers now have in operation a newsprint mill in Tasmania which meets a large share of the reduced paper requirements. Ordinarily this mill would not provide more than 20% Australia's newsprint needs, but at present it is probably meeting more than half.

Mexico is about to re-enter the field as a newsprint manufacturer.

Brazil also has plans for a newsprint industry.

Other countries are giving thought to the matter. In no one case is the proposed mill a large one; nor is it always an economic proposition. But as a wartime stop-gap, these small mills are likely to have a bearing on Canada's newsprint overseas trade for the duration of the war.

American Market

While the loss of the overseas trade means the best part of six weeks production at Canadian mills, the market which is of most concern is that in the United States.

Newspaper advertising in the United States during the first quarter of 1942 was nearly 6% less than for the like period a year ago. This meant smaller papers. Part of this loss was offset by greater reader interest and in turn increased circulation.

Another feature to consider is that the demand for emergency products has dropped off sharply. These products consist principally of substitutes for kraft paper. Limitation of inventories in the United States has had much to do with curtailing this type of profit-producing business.

Transport Difficulties

Two other factors are transportation and overly large inventories carried by the U. S. publishers. Transport by water is more and more difficult. This statement applies not only to overseas business, but to the movement of newsprint paper from Canada to the United States along coastal waters or through the St. Lawrence-Great Lakes water highway.

In ordinary years a considerable volume of paper moves by water. No exact figures as to the size of the movement are known, but it was probably not far short of 30%.

By the end of this year considerably less paper will be water-borne to market. As a matter of fact, efforts will be made to move all tonnage possible by rail.

This brings up a consideration as to the ability of the railways to handle the movement of newsprint and other regular freight, in addition to the greatly increased war traffic. The possibility of a snarl is not to be dismissed. In one or two quarters rail transportation difficulties have arisen. They have not been of more than momentary concern. However, the delays may assume more seriousness before the year is out.

Stocks Are Big

The surplus stocks carried by American publishers in anticipation of slow down in deliveries due to transfer of power or transport difficulties, are difficult to judge. Unquestionably accumulation has been going on, especially in the last three months.

It would not be far wrong probably to estimate that U. S. publishers have at least 100,000 tons of paper over and above their normal inventory. This is after taking into consideration a normal increment to stocks due to wartime conditions.

Lower Profits in Prospect

Over all the prospect for 1942 is that Canadian mills will sell less newsprint paper than they did in 1942.

This means higher operating costs. It means lower profits.

It is no more than a guess at this time to forecast what the drop in earnings for 1942 is likely to be. The year is not sufficiently advanced, nor are the prospects sufficiently clear-cut to warrant hazarding an opinion. All that can be said is that on the basis of known facts and prospective indications, earnings will be off.

The bad points in the newsprint outlook have been set down first. These are the factors which are "bearing" the market and the only factors which many newsprint investors can see.

Strong Points Too

The situation is not altogether as bad as some would paint it. Few investors keep in mind one fundamental fact about this industry, namely, that the situation can change very rapidly.

There is no reason for thinking earnings of the newsprint companies will drop in 1942 to a point where they cannot cover debt charges, even after provision for depreciation. To most investors in newsprint securities that is the most important thing. Very few newsprint companies are paying anything on their capital stock. The concern of the majority is to earn sufficient to pay their debt charges out of earnings and maintain working capital.

Last year was an especially good one for the manufacturers. They earned good money; comparatively, the returns were big. Not only was bond interest well covered, but substantial write-offs were made for depreciation and depletion. In addition the operators contributed large amounts to the Dominion Treasury in the way of income and "excess" profits taxes.

Keeping that in mind, it will be seen earnings can drop off very materially this year and still leave the operators in a position to meet debt charges.

Much Stronger Position

Another point is that over recent years, the manufacturers have been able to build up very strong working capital positions. This is in contrast to a few years back, when the majority of manufacturers were either bankrupt or "into the banks" for some healthy sums.

Consolidated Paper, for example, is the outcome of a reorganization a few years back which left the company with a huge floating debt and an equally huge bonded debt. A floating debt of many millions has been liquidated. Interest on bonds is being paid in cash. Net working capital at the end of last year stood at the highly impressive figure of more than $14 millions.

Strong Working Capital

Price Bros. and Co. went through the bankruptcy courts. Its financial position has been strengthened to a point where the company now has a net working capital of over $13.5 millions.

Abitibi is still in bankruptcy. But it has repaid a substantial sum to bondholders on account of principal. While, it has paid out the best part of $10 millions, the company has added as many more millions to working capital.

So on down the list. Each and every company has been able to do a great deal toward strengthening its financial position.

In some cases more could have been done. By and large, however, the industry is infinitely better off today to face a setback than it has been at any time in the past several years.

Another point to remember is ful supply of paper, especially that morale on the home front and elsewhere depends upon a plenti- newsprint paper. All governments recognize that.

Price Prospects

In so far as the Canadian newsprint industry is concerned the whole outlook would materially improve for the better if the Office of Price Administration in the United States grants their request for a $3 a ton price increase.

A few months ago Canadian manufacturers informed their customers of the advance. The OPA investigated and issued a "stop order" of 60 days until it had a chance to make further inquiries. The final decision of the OPA has yet to be handed down. In the meantime, however, newsprint has come under the general U. S. price freezing order and the price has been frozen "for the duration" at a $50 per ton base level, subject to revision by Price Administrator Leon Henderson.

The odds are not favorable that the OPA will permit the price advance. But if the higher rate is allowed, then from the point of operating income, the position of the Canadian manufacturers will be strengthened. This does not mean the additional $3 a ton will allow them to show higher profits. That is questionable. But the better price will offset in part the increase in operating and administration of expenses consequent upon the anticipated decline in tonnage.

Also to be considered in connection with earnings, especially net earnings, is the possibility the Dominion Government may "up" the income and "excess" profits tax.

Pulp and Paper Finances Strengthen

	DEBT REDUCTION (1939 to 1941) Floating	Funded	NET Working Capital 1941	1939
Abitibi	(In receivership)		(Not avail.)	$10,772,657
Bathurst	$ 105,000	$	$ 3,649,709	2,483,448
B. C. Pulp	1,609,000	335,500	968,679	143,469
C. I. Paper	406,994	13,069,589	24,705,727	17,854,549
Consolidated	1,462,000	4,299,592	14,056,438	12,012,031
Donnacona	15,700	60,000	1,336,610	1,340,992
Dryden	25,000	70,500	571,626	487,022
Fraser	2,071,857	2,239,000	3,665,463	3,840,861
Great Lakes	....	67,000	2,616,710	1,960,864
Howard Smith	404,350	750,000	4,812,944	3,302,489
Lake St. John	436,500	231,000	3,203,766	2,084,271
Price	2,322,000	1,411,000	13,525,733	9,745,148
Provincial	....	296,000	3,018,946	2,803,954
Rolland	....	200,000	1,007,189	884,228
St. Lawrence Corp.	....	....	3,460,363	2,419,651
St. Lawrence Paper	1,733,100	....	3,028,433	1,424,385

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British Papers Hold to Size

Stocks of Newsprint Are Sufficient to Maintain Present Schedules

MONTREAL.—No immediate further cut in size of British newspapers is anticipated, despite the seriousness of the newsprint outlook, according to a report made by Stanley Bell, chairman of the newsprint rationing committee.

Consumption of newsprint paper in Britain since the 10% cut made March 15, is 4,400 tons a week or about 228,000 tons a year.

Domestic manufacture at the rate of 100,000 tons a year and 50,000 tons yearly are expected from Canada now that one of the two requisitioned ships of the Newsprint Supply Co. has been returned by the government.

Existing reserve stocks in Britain amount to approximately 147,000 tons or 33 weeks' supply. As these stocks are being used on the basis of the figures given, at the rate of about 75,000 tons a year, it is thought no further cut need be contemplated for the next several months.

Announcement also was made that the price of newsprint has been equalized at £28 a ton.

Dailies, weeklies and periodicals in Eire will be cut down from May 4 to 25% by weight of the prewar supply of paper. This drastic reduction follows a statement made recently that Eire "would be without newspapers in six months"

U. S. Newsprint Price Ruling Still Obscure

From Our Own Correspondent

MONTREAL.—Action of the Office of Price Administration in the United States in setting the ceiling price schedule for newsprint has not cleared the air; in fact, the price situation is just as confused as ever.

Newsprint price ceilings are fixed in the order at the level of Oct. 1-15, 1941, or $50 a ton based on delivery in New York City for the majority of producers. The U. S. is divided into 10 zones, with price allowances for freight much in the same manner as was provided in the scheme prepared by the NRA under the New Deal and later dropped.

Confusion rises from the fact that the announcement does not specify whether or not these prices will prevail for all manufacturers in the United States. Nor does it say that this is the top price which can be paid for imported newsprint, which amounts to some 3 million tons a year.

Some manufacturers were selling at less than the new price during the base period. Others were selling for more. There is nothing to indicate as yet whether the manufacturers will have to adjust their price schedules.

As far as Canadian manufacturers of newsprint are concerned, they are equally puzzled. Leon Henderson, head of the OPA, is quoted as saying the new ceiling would not preclude further discussions between Canada and the OPA concerning newsprint mills in the Dominion. Last December these mills asked an increase of $3 a ton in the price of newsprint for export to the United States, effective April 1.

Henderson said OPA would continue its study of the industry's operations during the first half of this year to determine whether or not the higher prices would be justified during the last half of the year.

Previously OPA had given the Canadian price increase a hoist of 60 days by prohibiting the buyers from paying more than $50 base price. Now Canadian producers are wondering if they come under the new ruling or whether OPA will issue a special order covering their case.

Canada Northern Power Corp. reports little change in conditions in the territory served during the first quarter of 1942. The miners' strike at Kirkland Lake materially curtailed production but operations are now gradually returning to normal. A new contract has been made with Queenston Gold Mines, adjacent to Upper Canada, in the Larder Lake area.

Pulpwood Price Ceiling Set Up

Timber Administrator Sets Rate for Farmers and Others

From Our Own Correspondent

MONTREAL. — Ceiling prices have been fixed on pulpwood produced by farmers, settlers or operators in Quebec, New Brunswick and Nova Scotia for use in Canada, according to announcement by the Timber Administrator, A. S. Nicholson.

In Quebec, which has been divided into 27 districts, ceiling prices for rough unpeeled pulpwood range from $6.50 to $8 a cord, afloat in main rivers; from $6.50 to $9.25 loaded on railway cars, and from $7 to $8 stowed on schooners. Peeled pulpwood loaded on railway cars ranges from $9 to $12 and loaded on schooners from $9.50 to $10.50.

The prices fixed for Nova Scotia and New Brunswick run somewhat under those in Quebec.

In the case of large operators, who produce in excess of 200 cords of pulpwood per annum, the Administrator ruled a ceiling of not more than 15% above the prices fixed in the schedules and in every case was subject to approval.

Licensed brokers or dealers are entitled to add to the scheduled maximum prices the usual brokerage or fees established by trade practice in the various districts for financing and handling pulpwood for resale.

Newsprint Scoreboard

NEWSPRINT PRODUCTION

	First Quarter 1942 Tons	1941 Tons	Increase + or Decrease — Tons	%
Canada	885,840	782,674	+103,166	+13.2
United States	241,785	256,220	—14,435	—5.6
Canada and United States	1,127,625	1,038,894	+88,731	+8.5
Newfoundland	83,952	91,411	—7,459	—8.2
Total North American	1,211,577	1,130,305	+81,272	+7.2

UNITED STATES CONSUMPTION
(421 Newspapers Consumed Approximately 75% in 1941)

	First Quarter *1942 Tons	1941 Tons	Decrease — Tons	%
	699,112	707,679		
Plus estimated 25%	233,037	235,893		
	932,149	943,572	—11,423	—1.2

*Newspapers—The tonnage of the 422 newspapers for 1942 compares with the tonnage of the 421 newspapers in 1941 and 1940.

ADVERTISING
(52 Major Cities)
First Quarter

1942 Agate Lines	1941 Agate Lines	Loss— Agate Lines	%
284,192,789	301,510,444	—17,317,655	—5.7

Note:—Returns are from the News Print Service Bureau; American Newspapers Publishers' [illegible] and Media Records Inc.

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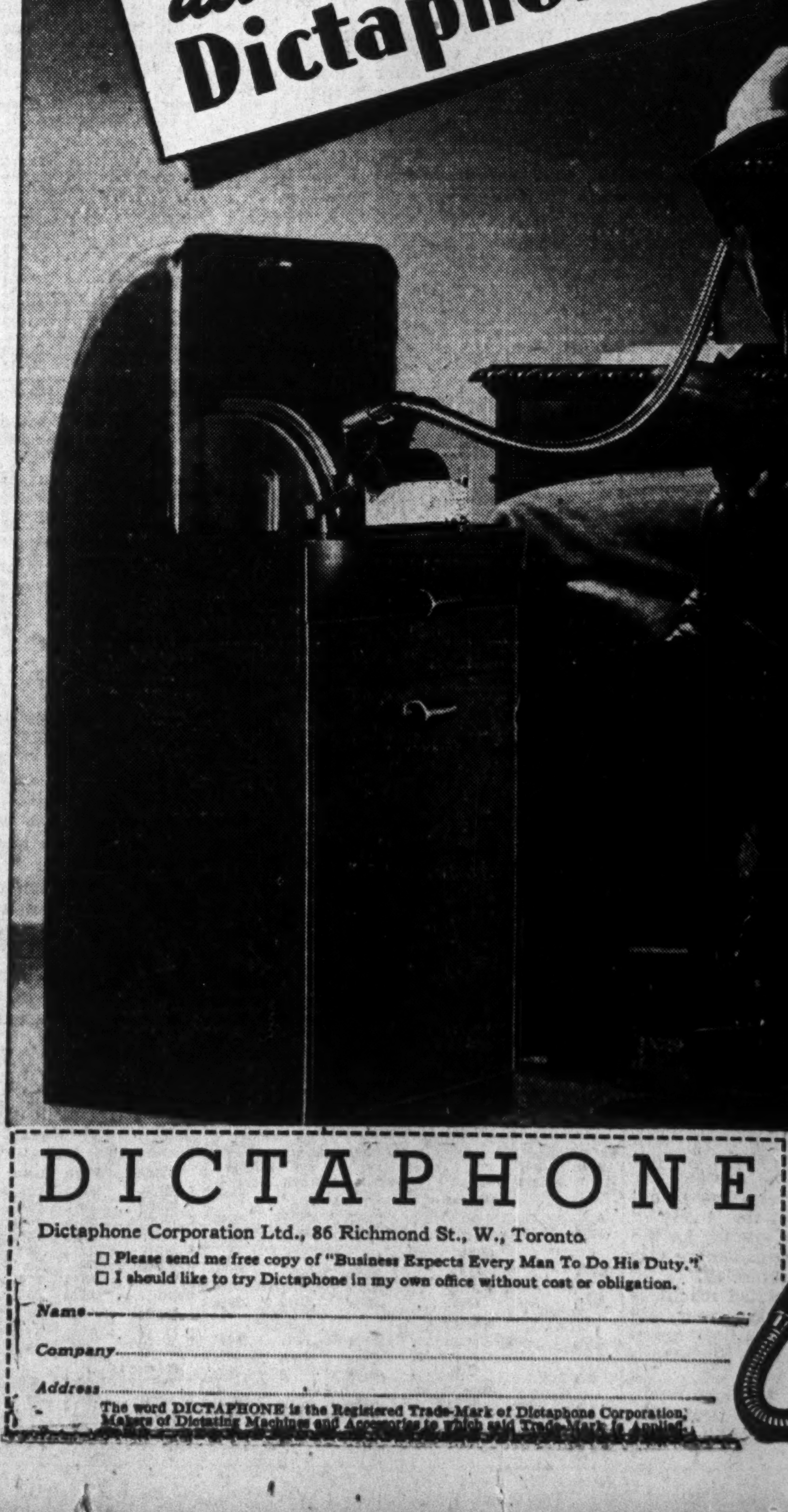
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Switch Savings to War Loans

Time Deposits Drop as Investors Buy Bonds

A number of changes reflecting the floating of the second Victory Loan are shown in the return of the Canadian chartered banks to the Minister of Finance as at March 31, last. These include:

A decrease of $241.4 millions in total deposits.

An increase of $368.6 millions in deposits by the Dominion Government.

An increase of $157.5 millions in current loans.

The decrease in total public deposits from the previous month was made up of $114.6 millions savings and $126.8 millions demand deposits. It is believed most of the decline in the savings deposits went into the Victory Loan. Some of it as well as part of the decline in demand deposits was used to pay income taxes. As the loan campaign of three weeks came partly in February and partly in March, net changes due to the loan have to be gauged over the two-month period. This shows a decrease of $244 millions between Jan. 31 and March 31. Of the total $170.8 millions was in savings and $73.2 millions in demand.

Less Than Year Ago

The reduction in deposits is somewhat less than in the first Victory Loan, in June last year, when savings deposits alone fell $228 millions and total deposits $349 millions. This is accounted for by some bank executives on the ground that a larger proportion of the second loan was bought under employee budget plans which did not put such a big immediate drain on bank deposits. Transfer of the funds raised by the loan to the Dominion Government is reflected in the rise of $368 millions in deposits of the Dominion Government. At the end of June last year, following the first Victory Loan, Dominion Government deposits were up $408 millions from the end of the previous month. Compared with Jan. 31, the rise in Dominion Government deposits on March 31 was $456 millions.

Heavier Borrowing

The rise of $157.5 millions over the previous month and $197.7 millions over a year ago in current loans while due mainly to borrowing by investors in the loan was also due partly to ordinary commercial borrowing.

Many people, as well as institutions such as the life insurance companies, bought bonds on the budget plan offered by the government, while others wanting longer terms borrowed from the banks direct. But in addition ordinary commercial loans to business have been larger than was expected a few months ago. Many of the established industries working on war orders are financing their immediate needs through the banks and thus keeping up the volume of loans. When the first Victory Loan was floated over a year ago, current loans rose $159 millions.

During the month, provincial loans were lower for both the month and the year. Loans to the municipalities in Canada, however, were almost $8 millions higher on the month but down $9.9 millions on the year. The rise in municipal loans is seasonal usually seen in March prior to tax revenues coming in.

During the month The Financial Post Credit Index which is the ratio of current and call loans in Canada to demand and savings deposits in Canada rose 9.33% and was 8.1% above the level of a year ago.

Use of Bank Credits
(In Millions of Dollars)

	March 1942	February 1942	Change	March 1941	Change
Loans	1,333.9	1,164.8	+169.1	1,149.1	+184.1
Investments	1,880.6	1,960.3	—79.7	1,766.0	+114.6
Total	3,214.5	3,125.1	+89.4	2,915.8	+298.7
Deposits	2,693.6	2,935.0	—241.4	2,753.2	—59.6
Credit index*	46.2%	36.9%	+9.3%	38.1%	+8.1%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	March 1942 $	February 1942 $	Change $	March 1941 $	Change $
Immediately Available Liquid Assets					
Canadian coin	7,197,659	6,906,209	+291,450	6,911,597	+286,062
Bk. of Can. notes	99,147,480	82,620,525	+16,526,955	80,615,795	+18,531,685
Bk. of Can. depos.	241,878,585	234,680,096	+7,198,489	207,997,352	+33,881,233
Bank's cash	348,223,724	324,206,830	+24,016,894	295,524,744	+52,698,980
Other bank's notes	2,541,510	2,360,217	+181,293	3,278,676	—737,166
Gold, sub. coin abd.	2,649,424	2,792,432	—143,008	2,857,510	—208,086
Foreign banks	170,590,448	169,232,301	+1,358,147	182,599,025	—12,008,577
Foreign currency	33,002,162	30,382,744	+2,619,418	28,912,096	+4,090,066
Gov. sec. short term	724,098,457	954,280,972	—230,182,515	739,716,431	—15,617,974
Do., long term	919,528,548	769,192,980	+150,335,568	787,264,916	+132,263,632
Call loans abroad	49,596,654	45,687,461	+3,909,193	49,508,336	+88,318
	2,250,230,927	2,298,135,937	—47,005,010	2,089,661,734	+160,569,193
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	79,018,907	77,433,535	+1,585,372	92,058,929	—13,040,022
Public secs.▲	74,839,075	72,419,732	+2,419,343	51,509,228	+23,329,847
Other secs.	83,034,320	86,968,887	—3,934,567	95,456,724	—12,422,404
Can. call loans	33,548,157	29,606,850	+3,941,307	35,110,370	—1,562,213
Current loans	1,212,990,336	1,055,488,517	+157,501,819	1,015,263,785	+197,726,551
Loans abroad	141,182,155	140,335,287	+846,868	131,881,809	+9,300,346
Prov. loans	10,265,571	10,485,957	—220,386	12,267,397	—2,001,826
Mun. loans	77,134,993	69,197,218	+7,937,775	87,087,654	—9,952,661
	1,712,013,514	1,541,935,983	+170,077,531	1,520,635,896	+191,377,618
Other Assets					
Non-current loans	4,554,030	4,692,892	—138,862	5,791,289	—1,237,259
Real estate	6,344,696	6,398,488	—53,792	7,049,221	—704,525
Mortgages	3,388,181	3,346,534	+41,647	3,518,431	—130,250
Premises	69,438,952	69,591,734	—152,782	70,643,757	—1,204,805
Letters of credit	128,396,521	126,799,976	+1,596,545	75,758,360	+52,638,161
Loans to comp.	11,044,193	11,125,376	—81,183	10,876,603	+167,590
Other assets	2,248,139	2,191,281	+56,858	2,158,527	+89,612
	225,414,712	224,146,281	+1,268,431	175,796,188	+49,618,524
Total	4,187,659,153	4,064,213,201	+123,440,953	3,786,093,818	+401,565,335
Note circ. dep.	4,498,517	4,494,872	+3,645	4,840,785	—342,268
Int. bank bal.	159,614,312	139,410,106	+20,204,206	119,037,885	+40,576,427
Gross	4,351,771,982	4,208,123,179	+143,648,803	3,909,972,488	+441,799,494
LIABILITIES					
To the Public					
Circulation	73,633,907	74,213,654	—579,747	83,467,245	—9,833,338
Dom. Govt.	555,946,417	187,329,972	+368,616,445	154,641,560	+401,304,857
Prov. Govt.	55,377,724	58,628,605	—3,250,881	64,441,142	—9,063,418
Deposits by Public					
Demand dep.	1,143,929,017	1,270,739,068	—126,800,051	1,050,469,802	+93,469,215
Savings dep.	1,549,628,551	1,664,274,473	—114,645,922	1,702,704,381	—153,075,830
Total	2,693,567,568	2,935,013,541	—241,445,973	2,753,174,183	—59,606,615
Foreign dep.	473,466,585	455,572,875	+17,893,710	410,771,610	+62,694,975
Due to Banks Abroad, Etc.					
United Kingdom	21,250,994	20,570,404	+680,590	24,417,891	—3,166,897
Foreign	33,480,542	30,624,619	+2,855,923	29,896,432	+3,584.110
Bills payable	26,432	7,136	+19,297	15,079	+11,354
Letters of credit	128,396,521	126,799,976	+1,596,545	75,758,360	+52,638,161
Other liabs.	6,880,866	8,555,876	—1,675,010	5,260,364	+1,620,502
Total pub. liabs.	4,042,027,557	3,897,316,658	+144,710,899	3,601,843,866	+440,183,691
Due bet. banks	10,379,348	11,782,117	—1,402,769	9,316,913	+1,062,435
Liability to Shareholders					
Dividends	1,499,904	2,254,512	—754,608	1,525,350	—25,446
Reserve	134,750,000	134,750,000	....	133,750,000	+1,000.000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,334,156,809	4,191,603,287	+142,553,522	3,891,936,129	+442,220,680

▲Other than Canadian.

Chase National Tops Bank List

Eight Canadian Institutions Among 150 Largest in U. S. and Empire

With deposits of $3.5 billions the Chase National Bank of New York is the largest bank in the English-speaking world, according to the 16th edition of "The Deposit Liabilities of 150 of the largest American, British, Colonial and Dominion Banks," a brochure compiled annually by the California Bank, Los Angeles.

National City Bank, New York, with deposits of $2.8 billions is second, followed by Midland Bank Ltd., London with deposits of $2.7 billions, and Barclays Bank, London with deposits of $2.6 billions.

Of the first 10 banks, five are American and five are British. Combined deposits for all banks in the brochure total $63.7 billions or 90% over the depression low point of $33.5 billions, in the 1933 issue.

The first 15 banks with their deposit liabilities are as follows:

	$000
Chase National Bank, New York	3,534,966
National City Bank, New York	2,878,821
Midland Bank Ltd., London	2,7[illegible],331
Barclays Bank Ltd., London	2,600,976
Lloyds Bank Ltd., London	2,348,510
Guaranty Trust Co., New York	2,259,895
Bk. of America, San Francisco	1,908,383
Westminster Bank Ltd., London	1,898,577
National Prov. Bk. Ltd., London	1,883,511
Continental Ill. Nat. Bk, Chicago	1,616,430
Bankers Tr. Company, New York	1,375,481
Central Hanover Bk., New York	1,326,577
First National Bk., Chicago	1,298,895
Bank of England, London	1,152,062
Chemical Bk. & Tr. Co., N. York	1,014,109

Eight Canadian banks are among the 150 listed in the brochure. They are as follows, with number indicating rank: Royal 18, Montreal 20, Canadian Bank of Commerce 29, Nova Scotia 56, Imperial 94, Toronto 114, Nationale 118, and Dominion 122.

Monthly Bank Clearings

	April 1942 $	April 1941 $
Halifax	16,066,972	15,009,370
Saint John	10,526,581	10,193,766
Moncton	4,758,949	3,700,571
Sherbrooke	4,219,320	3,800,549
Quebec	22,898,308	20,022,241
Montreal	520,300,012	433,672,771
Ottawa	320,893,933	226,402,443
Kingston	3,067,669	2,952,874
Peterborough	3,412,717	2,846,890
Toronto	643,726,340	488,534,347
Hamilton	32,137,717	28,990,521
Kitchener	5,864,744	5,386,043
Brantford	4,624,387	4,320,280
London	12,233,327	10,685,011
Chatham	2,880,498	2,751,504
Sarnia	1,944,657	1,993,389
Sudbury	4,681,568	4,930,165
Windsor	16,356,426	14,911,084
St. Catharines	5,681,821	......
Fort William	4,351,944	4,282,388
Winnipeg	209,690,943	196,161,031
Brandon	1,842,045	1,559,682
Regina	16,850,140	19,079,212
Moose Jaw	5,754,980	2,516,282
Saskatoon	6,840,658	6,228,040
Prince Albert	1,990,314	1,614,944
Edmonton	26,454,463	20,437,356
Calgary	29,697,768	28,210,770
Lethbridge	2,991,486	2,454,799
Medicine Hat	1,414,926	1,331,928
New Westminster	3,672,230	3,391,994
Vancouver	93,046,221	76,773,793
Victoria	8,007,907	7,846,744

Weekly Bank Clearings

	Apr. 30 1942 $	Change Year Ago %	Apr. 23 1942 $
Halifax	3,739,221	—5.0	2,637,535
Saint John	2,327,642	—3.9	2,544,948
Moncton	1,179,952	+33.0	1,226,808
Sherbrooke	940,235	—3.9	1,110,237
Quebec	4,900,309	—0.1	5,161,687
Montreal	114,168,772	+6.2	124,529,295
Ottawa	57,210,220	+40.4	64,417.048
Kingston	626,181	—4.5	705,379
Peterborough	705,991	+6.5	836,419
Toronto	159,377,047	+30.2	157,488,161
Hamilton	6,941,233	—12.5	7,594,271
Kitchener	1,409,992	+14.4	1,308,362
Brantford	1,029,489	+24.3	1,145,624
London	2,478,156	—9.7	2,926,937
Chatham	614,515	—8.6	675,086
Sarnia	406,435	—1.9	392,166
Sudbury	1,252,500	—0.6	846,634
Windsor	3,699,846	+4.7	4,312,319
St. Catharines	1,402,067	...	1,384,471
Fort William	856,010	—8.0	1,035,193
Winnipeg	49,412.507	—9.8	50,601,644
Brandon	414,668	+5.1	438,261
Regina	3,882,160	—36.4	3,646,747
Moose Jaw	545,340	—15.9	654,231
Saskatoon	1,425,716	—11.5	1,563,251
Prince Albert	392,246	+2.3	478,389
Edmonton	5,990,595	+12.0	5,999,396
Calgary	6.776,921	—5.1	8,048,284
Lethbridge	655,540	+3.8	695,475
Medicine Hat	328,167	+43.8	313,703
N. W'minster	882,921	+3.5	957,383
Vancouver	22,396,407	+15.9	24,045,832
Victoria	1,807,765	+1.5	1,973,677

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

J. A. BAXTER, to be manager, Spadina & Dupont, Toronto.

D. SAMSON, to be acting manager, Morell, P.E.I.

J. H. RECTOR, to be assistant manager, New Glasgow, N.S.

G. F. BONNELL, to be accountant, New Glasgow, N.S.

H. G. WASHBURN, to be accountant, Digby, N.S.

* * *

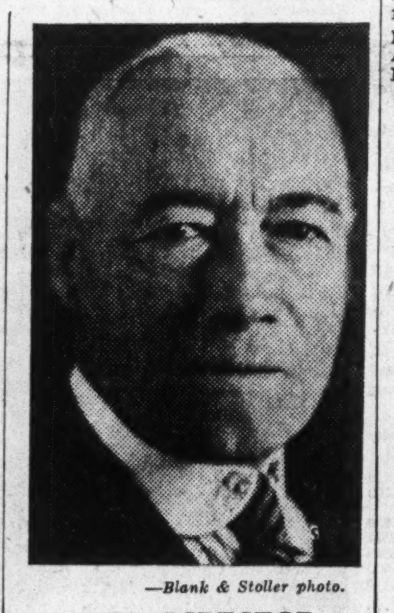
The Royal Bank of Canada announces the following staff changes:

V. H. MARTIN, accountant, Bridgetown, Barbados, to be manager, New Amsterdam, B.C.

G. E. NEWANS, assistant accountant, London, Ont., to be accountant, Sault Ste. Marie, Ont.

J. C. STEWART, accountant, Sault Ste. Marie, to be accountant, Owen Sound, Ont.

H. A. TOOMER, to be accountant, Saskatoon, Sask.



—Blank & Stoller photo.

ELECTED DIRECTOR

C. R. Whitehead, vice-president of Consolidated Paper Corp., who has been elected a director of the company.

ELECTED DIRECTOR

J. G. Ross, manager of Asbestos Corp., has been elected to the board of directors of Canadian Foreign Investment Corp.

Bond Holdings Show Increase

But Sterling Held By Bank of Canada is Lower

An increase of approximately $26 millions in total assets is shown in the statement of the Bank of Canada for the week ended April 29. The increase was mainly in investment, holdings of both short and long term securities being up about $20 millions. Miscellaneous assets, including cheques on hand and not yet cleared, rose about $16 millions. Holdings of sterling and United States exchange on the other hand, were about $9 millions lower.

On the liability side, total deposits rose $8 millions net, Dominion government deposits being slightly lower while those of the chartered banks expanded $11 millions. Other deposits were about $1.5 millions higher.

Miscellaneous liabilities rose $15 millions. Note circulation was slightly higher.

	Apr. 29 1942 $	Apr. 22 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	516,466,555	513,838,255
Rest fund	5,585,705	5,585,705
Deposit: Dom.	97,853,020	98,936,376
Banks	206,791,225	195,975,235
Other	17,307,835	18,805,176
Total deposits	321,952,080	313,716,787
All other liabs.	26,779,372	11,105,509
Total liabs.	875,783,712	849,246,256
Assets		
In Sterl. & U. S.	209,508,961	218,408,961
Subsid. coin	360,928	399,225
Advances	500,000	500,000
Investments:		
Dom. gov. sh.	413,767,577	401,608,198
Other Dom. gov.	223,359,509	215,626,469
Total invest.	637,127,086	617,234,667
Premises	1,801,029	1,768,914
All other assets	26,485,708	10,934,489
Total assets	875,783,712	849,246,256

Trans-Canada Air Lines passenger traffic in March showed a sharp increase over February. The March figure was 8,006 compared with 5,765 passengers in the previous month. Air mail increased from 120,565 lb. in February to 135,524 in March.

Views on Farming For Ex-soldiers

Last week The Financial Post asked a group of representative Canadians what they thought of farm settlement as a major part of any plan to rehabilitate ex-service men. So heavy was the response that some of the late replies had to be left out. They are now published below.

Sam Audette

Amos, P.Q., Prominent farmer and well-known exponent of the co-operative movement.

I am favorable to the establishment of returned soldiers on farms as a measure of rehabilitation after the war. For proper administration of these different plans I am of the opinion that a commission absolutely independent of politics, will be absolutely necessary.

* * *

Gerard Filion

Union des Cultivateurs la Terre de Chez Nous, Montreal.

The government should principally return to farms, those soldiers who were working on farms previously and they should give them a subsidy so that they can live and educate a family.

The veteran who is established on a farm will never be a charge to the government and will be worth something to society.

* * *

C. F. Fraser

Editor, Halifax Chronicle, Halifax, N.S.

Agriculture is one of Canada's basic industries. For this reason consideration should be given at this time to land settlement as a part of any government scheme for re-establishment of soldiers in civil life. But it cannot be assumed that farm settlement for soldiers after the war will take care of the whole matter of rehabilitation.

The land settlement scheme as outlined in Parliament has much to commend it. But its success must depend almost entirely upon some broader scheme for the post-war economic reconstruction of this country.

* * *

Daniel McKee

Editor, Canadian Countryman, Toronto.

It is useless to put men on farms, if farming is unprofitable for the average farmer, and it is equally useless to train men to do certain work if jobs cannot be found after they are trained. Compared with the problem of making business profitable, rehabilitation schemes as such are of minor importance. If agriculture is prosperous, urban industry will be prosperous and with this condition prevailing the rehabilitation problem will pretty well take care of itself.

"Your Guinea Gold, Sir"

OGDEN'S Guinea Gold

CORK TIP CIGARETTES
ALSO PLAIN ENDS
22 for 25¢

"GOOD AS GOLD AND MILD TOO"

CHEMISTRY HELPS TO WIN THE WAR

THE FARMER
"Keeps 'em Fighting"

THE Canadian farmer has one of the biggest jobs of this war on his hands: to feed his fellow-citizens and to export the vast quantities of food required by our overseas forces, our kinsmen in the United Kingdom and our Allies.

In every way, the job is larger than in the last war. More countries have been overrun by the enemy, many cargoes are being lost at sea.

Demands on the farmer for increased production must be passed on by him to Canadian soil. Each acre must produce better crops. But soil can yield only as it is replenished and for this reason the Fertilizer Division of C-I-L is busy serving the Canadian farmer with its production of chemical fertilizers that maintain and increase soil fertility. Crops are protected against blight and pest with C-I-L Insecticides and Fungicides and Seed Disinfectants. Live stock is brought to earlier and better marketability by C-I-L Mineral Food Supplements.

Fertilizers, Fungicides, Insecticides and Seed Disinfectants are some of the C-I-L products of Industrial chemistry which are helping Canada's war effort.

CANADIAN INDUSTRIES LIMITED

The finest beverages
bear the name
O'Keefe's

O'KEEFE'S BEVERAGES LIMITED, MANUFACTURERS OF GINGER ALE, SPECIAL SODA, ETC.

Position of Chartered Banks of Canada as of March 31, 1942, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Government $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere.▲ $	Bal. due to other Banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	17,224,505	165,431,826	6,938,555	....	305,403,020	387,919,687	95,422,456	2,509,730	7,234,489	11,021,325	....	18,551,081	4,537,869	34,408	39,000,000	36,000,000	1,097,228,956
Nova Scotia	6,064,117	43,502,278	647,916	....	75,060,986	141,033,725	51,092,279	2,430,815	1,323,889	1,502,939	....	29,303,102	1,188,819	361,891	24,000,000	12,000,000	389,512,760
Toronto	2,719,524	30,909,484	1,941,092	....	54,860,779	84,471,570	1,071,068	148,119	831,037	479,256	....	3,233,037	....	8,586	10,000,000	6,000,000	196,673,556
Provinciale	1,915,525	4,192,243	817,588	....	11,537,676	39,725,371	9,121	108	....	30,686	....	112,996	11,844	5,435	1,000,000	4,000,000	63,358,598
Commerce	14,304,052	100,454,207	13,095,218	....	217,070,717	304,318,725	69,394,660	978,953	4,091,987	6,032,753	....	29,148,789	....	643,041	20,000,000	30,000,000	809,533,107
Royal	20,823,463	130,502,657	10,595,123	....	320,922,701	326,030,311	241,889,707	14,455	3,400,167	11,205,653	26,433	37,065,139	668,333	80,692	20,000,000	35,000,000	1,158,224,838
Dominion	3,130,119	27,148,306	1,013,440	....	54,548,320	73,442,398	7,890,365	1,053,091	510,932	516,951	....	4,852,311	405,710	177,600	7,000,000	7,000,000	188,689,547
Nationale	3,360,372	11,938,632	3,066,551	....	40,420,414	99,060,400	469,521	2,099,394	47,013	717,363	....	518,308	40,804	9,931	5,000,000	7,000,000	173,748,708
Imperial	3,455,275	37,566,694	17,252,391	....	58,950,422	88,046,477	2,548,102	1,079,345	1,332,901	860,779	....	4,815,562	....	178,320	8,000,000	7,000,000	231,086,272
Barclays (Canada)	636,955	4,300,000	9,850	....	5,163,982	5,579,887	3,679,306	65,338	2,478,579	1,112,837	....	796,196	27,442	....	750,000	1,500,000	26,100,467
Total	73,633,907	555,946,417	55,377,724	....	1,143,939,017	1,549,628,551	473,466,585	10,379,348	21,250,994	33,480,542	26,433	128,396,521	6,880,821	1,499,904	134,750,000	145,500,000	4,334,156,809

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are Partners $	Average Notes and Deposits with Bank of Can. $	Greatest Amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	385,914	88,075,453	17,439,535
Nova Scotia	15,000,000	12,000,000	12	3,000,356	29,546,000	6,407,975
Toronto	10,000,000	6,000,000	10	571,398	16,906,838	2,862,974
Provinciale	5,000,000	4,000,000	6	153,511	8,177,246	1,949,965
Commerce	50,000,000	30,000,000	8	980,967	57,893,658	14,470,152
Royal	50,000,000	35,000,000	8	1,273,983	83,291,368	20,823,463
Dominion	10,000,000	7,000,000	10	613,499	21,926,110	3,218,344
Nationale	10,000,000	7,000,000	8	174,603	12,893,008	3,490,937
Imperial	10,000,000	7,000,000	10	534,896	16,829,356	3,462,420
Barclays (Canada)	1,500,000	1,500,000	....	10,901	1,708,288	672,990
Total	211,500,000	145,500,000	....	7,700,028	337,247,315	74,798,695

▲Of this amount, $53,437,510 represents deposits in Canada in currencies other than Canadian. *And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canadian $	Cheques on other banks $	Balances due by other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $
Montreal*	1,656,189	82,906	27,037,246	67,412,795	725,105	466,160	39,931,522	635	5,587,068	33,966,825	195,061,688	292,340,100	16,571,040	23,592,422
Nova Scotia	445,966	865,182	7,871,144	23,071,555	202,602	7,641,904	13,592,120	....	5,452,672	11,966,612	51,662,002	66,672,563	10,733,859	2,779,033
Toronto	335,648	....	4,741,335	11,479,730	112,985	66,846	8,099,983	....	206,248	3,352,537	38,264,798	45,656,954	2,411,848	....
Provinciale	295,582	....	2,388,568	6,215,056	70,325	36,403	2,308,165	2,195	16,665	608,854	8,189,088	9,290,136	10,360,994	....
Commerce†	1,163,001	167,864	15,804,527	43,913,664	305,849	2,262,017	25,927,262	483	5,679,456	21,070,137	116,177,172	164,453,201	7,980,027	28,926,413
Royal	1,829,816	1,533,086	25,201,260	54,389,760	634,229	22,309,422	44,100,565	2,635	14,133,310	49,992,633	206,633,385	228,925,824	8,912,910	19,058,819
Dominion	334,711	386	3,557,513	16,306,259	159,665	100,078	6,581,704	4	1,784,857	4,367,516	27,952,038	30,165,251	1,517,922	445,000
Nationale	695,673	....	6,261,821	7,103,815	150,535	50,927	5,884,476	1,388,879	53,684	1,181,125	35,268,792	28,644,608	14,267,366	12,388
Imperial	435,422	....	6,204,331	10,132,035	178,745	65,761	9,757,559	659,113	240,154	5,486,000	40,804,326	46,026,232	6,261,941	....
Barclays (Can.)	5,651	....	79,735	1,883,976	470	2,644	434,557	932,515	1,521,750	3,913,255	4,085,168	7,344,589	1,000	25,000
Total	7,197,659	2,659,424	99,147,480	241,878,585	2,541,510	33,002,162	156,627,853	2,986,459	34,684,864	135,905,584	724,098,457	919,528,548	79,018,907	74,839,075

NAME OF BANK	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets.▲ $
Montreal*	22,459,384	3,783,910	14,530,205	267,267,791	21,307,507	1,628,651	27,515,184	734,574	410,709	465,067	13,900,000	1,015,765	1,914,728	1,099,916,273
Nova Scotia	9,265,074	4,327,465	360,350	115,101,254	15,942,919	1,111,324	3,518,343	378,930	....	80,645	5,840,955	430,822	2,329,867	390,948,278
Toronto	3,484,298	1,168,765	....	69,413,254	....	....	3,772,440	55,403	....	8,186	3,212,109	175,559	....	199,252,971
Provinciale	1,383,609	3,106,232	....	13,896,571	....	24,361	2,261,737	69,757	414,466	279,375	2,065,421	129,913	107,541	63,043,022
Commerce†	12,126,790	8,382,377	13,107,245	259,993,861	16,493,147	4,456,103	12,297,209	1,151,577	2,206,870	988,373	13,989,659	852,000	4,443,349	813,568,377
Royal	29,103,731	4,854,580	19,883,986	265,309,910	86,602,288	1,713,146	15,846,476	1,576,823	1,712,130	667,204	14,215,743	1,200,000	4,025,155	1,161,433,913
Dominion	1,310,107	1,461,136	1,624,868	77,251,436	836,294	639,636	2,583,925	147,241	22,378	32,156	5,385,973	220,797	201,621	189,842,794
Nationale	3,851,049	3,917,272	....	51,930,423	....	319,728	5,590,374	173,364	1,531,231	654,523	4,766,384	215,611	263,081	174,695,540
Imperial	50,278	2,366,795	....	88,350,456	....	372,622	3,749,305	262,428	46,912	212,652	5,620,297	233,771	....	232,341,796
Barclays (Can.)	....	179,625	....	4,475,380	....	....	....	3,933	....	....	442,411	24,279	6,878	26,129,018
Total	83,034,320	33,548,157	49,596,654	1,212,990,336	141,182,155	10,265,571	77,134,993	4,554,030	6,344,696	3,388,181	69,438,952	4,498,317	13,292,216	4,351,771,982

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

▲Total assets include $128,396,521 letters of credit outstanding as shown in liabilities.

Gold Fields Work Gets Set For Milling Jump in June

From Our Own Correspondent

MALARTIC, Que.—Work on the new shaft of Malartic Gold Fields is now progressing favorably and from present indications lateral development on the first three levels in this area should be proceeding late in June.

The new shaft, which is being put down to open up the major ore bodies indicated by surface drilling in the west area, has been sunk over 150 ft. with the first station cut at that horizon. Present plans call for lateral exploration on the first three levels while the shaft is continued to the 1,200-ft. horizon.

To Mill West Ore

If everything proceeds "on schedule," ore from development headings on two or more levels should be available in the third quarter of the year. Surface drilling indicated three parallel ore structures with widths of 20 to 50 ft. together with other narrow structures. Six main headings may be driven east and west on each level and this is expected to provide ample ore for the extension in mill capacity from 650 to 1,000 tons daily. All the equipment for the 1,000 tons a day rate has been delivered to the property and it is expected the higher milling rate will be in effect in June.

Drive Out 1,250 ft.

The long drive being put out from the main mine workings, 1,200-ft. level to tap the west ore bodies, has now been carried a distance of 1,250 ft. with some 1,750 ft. yet to be traversed. It is expected that the connection between the two shafts at the 1,200-ft. level will be completed in the September quarter.

The combination of a higher milling rate and richer than average ore from the new No. 2 shaft workings is expected to bring a sharp upward trend in production and profits the latter half of the year. The extent of the increase will be determined in part on the quantity of ore it proves feasible to draw from the new No. 2 shaft in first work.

On a minimum of 300 tons of ore from the west ore bodies of a $9 grade, production would increase from $155,000 to close to $250,000 a month with operating profit rising to $100,000 per month. As development is enlarged in the west area, a progressively larger proportion of its rich ore will be available for milling. It will be recalled that surface diamond drilling in the new area indicated 5,500 to 6,000 tons of ore of 0.3 oz. ($11.50) grade ore to the vertical foot.

Altogether the mine has in excess of 7,000 tons of ore disclosed to the vertical foot which would mean seven million tons of ore to the 1,000-ft. horizon if ore bodies extend downwards unchanged. In ordinary times, expansion to 2,000 tons daily would be justified but it appears that further expansion will be out until after the war.

Deep Levels Respond

At No. 1 shaft workings, exploration on new deep levels is opening up ore. Altogether five new levels from 750 to 1,350 ft. depth were established last year. On the 950-ft. level, the "A" ore body was cut at 200 ft. north of the shaft and the "D" ore body at 140 ft. farther north. Drifting to the east and west on the "D" has been carried 400 ft. with 300 ft. of the drift in ore of mine average grade.

Drill holes in advance of the headings and 460 ft. apart show 11 ft. of 0.17 oz. grade and 7 ft. of 0.19 oz. Drifting has been advanced 450 ft. in the "A" zone with 350 ft. in ore. Structure is similar to that on upper levels.

On the 1,200-ft. level, the diorite in the "A" zone shows a width of 80 ft. Drifting east and west has been carried 400 ft. with 150 ft. in ore. The "D" zone has been drifted on for 350 ft. with 300 ft. of typical mineralized diorite of mine average grade. Diamond drilling from the main haulage way west on the 1,200 ft. level has returned interesting intersections west on the "A" and "D" zones. Further exploration to the east is to be done on the lower levels following indications of a general east rake of the ore bodies.

Production in the first quarter of 1942 was $464,111 from 61,998 tons of ore. March was the best month by far with $179,972 recovered from 21,713 tons of ore for an average recovery of $8.29 a ton. The mill handled an average of 707 tons.

Operating profit for the first quarter totalled $150,895 of which $70,693 was won in the month of March.

North End Producers Make Good Showing

While far north end results in Turner Valley indicate wells may be very deep there results in the present proven section of the north end, several miles south, continue satisfactory.

All the most northerly producers whose issues have been offered for public subscription, and returns already made to royalty holders, show that these wells are expected by the public to return a substantial margin of profit, above original cost.

Results on this group of wells are as follows:

Net preferred Royaltfy:	Date completed	Issue price	Paid to date per 1%	Recent bid
		$	$	$
Ace 1†	Sept./41	*4,500	2,194	5,400
Atlas 2	Feb./42	4,000	....	7,400
Alta. O. Inc. 2	Oct./40	4,375	4,436	4,500
Major 2	Sept./41	4,050	2,195	6,200
Major 3	Oct./41	4,050	2,920	7,500
Major 4	Dec./41	4,050	186	4,800
Miracle 1	Aug./41	4,375	3,021	6,200
Miracle 2	Feb./42	4,375	....	4,500
		33,775	14,952	46,500

*Approx. †Gross.

In other words, for every $33,775 invested, $14,952 has been paid back in royalty distributions while the original securities are still "worth" $46,500, on the basis of recent market bid prices. All issues are selling above their initial public offering price.

It is deemed unlikely that further permits will be issued for drilling wells in the far north end of Turner Valley until the present wells either prove or disprove that area. Atlas-British Dominion No. 3, a recent qualification, it is noted, is an offset to one of the present large north end producers.

In the future continuous rather than "wildcat" development of Turner Valley is likely to be stressed. Wells will be drilled on the best proven acreage as much as possible and only the odd well will be spotted to prove up further acreage.

Asbestos Corp. Sales Advance

From Our Own Correspondent

MONTREAL. — Asbestos Corp. Ltd. sales so far this year are ahead of sales in the same period of 1941, R. W. Steele, president, reported at the annual meeting of shareholders. Shareholders were cautioned, however, that results for the first quarter were not indicative of the likely outcome for the year as a whole.

Mr. Steele said instead of Europe being a big outlet for the company's products, as formerly, the chief market is now the U. S. Being more accessible, shipments were made in the early months, whereas in other years, the winter months were quiet, followed by a sharp increase during the shipping season.

Skinner's Annual On World's Mines A Complete Work

Reviewing 815 mining companies operating in all parties of the world, the 56th annual edition of Walter E. Skinner's Mineral Year Book has just been issued.

In the 448 pages of the 1942 edition, a wealth of detail on the world's mines is given including directors and other officials, description of property, operating results, capital, dividends, and financial results.

Other features of the issue are statistical tables showing gold production of the principal mining fields, supplementary index containing names of companies which have appeared in previous volumes, and a directory of manufacturers of mining equipment containing 430 headings.

Maps of the various mining areas are also included.

The volume is published by Walter E. Skinner, 20, Copthall Avenue, London, E. C. 2, and the "Financial Times," 72 Coleman St., E. C., price 20s. net or 21s. 6d. post free abroad.

Jason Profit Maintained

Reflecting slightly higher production, Jason Mines realized an operating profit of $67,841 the first quarter of 1942 compared with $64,820 the same quarter of 1941. Output the first quarter of 1942 was $194,439 from 11,126 tons of ore.

During the first quarter, 149 ft. of shaft sinking, 737 ft. of drifting and 2,017 ft. of diamond drilling were completed. Of the drifting, 372 ft. or 50.6% was in ore of general mine average grade.

Find Ore on Fifth

In the No. 1 shaft area, drifting was carried both north and south of the shaft crosscut at the fifth level. Although excellent ore was discovered by this work, progress was retarded by the presence of narrow diorite dykes and local faults which tended to obscure vein trend. It is indicated by results to date that the productive value at the fifth level will compare favorably with the average for levels above, it is stated. Drifting northward on No. 1 vein at the third level was resumed in February. This heading is expected to reach favorable ground shortly.

In the No. 2 shaft area, the winze was completed from the 7th to 8th levels and crosscutting to No. 2 vein commenced on the lower horizon.

Some further additions to inventories are stated to have been made, placing the operation in a secure position for materials and supplies as is warranted. The annual cut of cordwood and timber has been completed and delivered to the mine.

Mining INVESTMENTS

Executive salaries, a little discussed but important part of mining company expense, came in for some friendly discussion at the recent annual meeting of Mining Corp. of Canada when Sir William Mulock, 98-year-old former Chief Justice of Ontario, questioned President J. H. C. Waite.

Sir William asked what the profit and loss account item of $40,100 for executive fees covered in the way of services. Mr. Waite replied it included directors' fees. "But in another place I see directors' fees $7,000," Sir William pointed out. "What directors get these moneys? Are they distributed rateably?"

"No," said Mr. Waite, "I receive $25,000 a year, and I want it." Then Sir William asked if the shareholders knew that the president receives $25,000.

At this point, an officer of the company pointed out that the report to shareholders was drawn up in accordance with the Company's Act. Sir William said that if this was the case, the act, he thought ought to be amended and shareholders dealt with more frankly.

He asked the president if he would have future reports give that information. Mr. Waite said the Mining Corp. items covered six subsidiary operations as well and he could not extend any promise that information desired by Sir William would be supplied in the future. This ended the discussion.

• • •

Mining Corp. of Canada has a Dominion charter which only requires totals paid for items like executive salaries, directors' fees and legal fees. Companies with Ontario charters are not required to give even this much detail.

In the United States, in soliciting proxies, it is required that owners of 10% or more of a company's stock be listed; also complete information on salaries paid to top executives is called for. Canada, and more particularly the provinces, have been backward in requiring all the information to which shareholders are properly entitled.

• • •

One gold mine at least has been prevented from reaching production as a direct result of the war and the current difficulty of securing equipment. It is Pascalis Gold Mines.

Pascalis planned until recently to have its ore treated at the neighboring mill of Cournor Mining Co. Only a very small amount of new equipment and construction were involved but investigation disclosed that production could not be reached in this way. In the first place, the Controller of Construction refused to grant the necessary permit.

As production by Pascalis would necessarily mean cessation of production by Cournor, the company, with Ottawa's permission, sent its mine manager, F. C. Buckland, to Washington. Washington, while courteous, "did not view the project with favor" and the company decided to suspend operations for duration.

In view of the Pascalis experience, it appears doubtful if many other gold properties will seriously consider commencing or increasing production.

One large gold mining company which would like to increase capacity by 50% hasn't even bothered making an application for permission to expand; no chance is conceded of receiving this permission.

Oil Royalties

Producing Wells — Prices and Payments

	May daily allow. bbls.	Apr. daily allow. bbls.	Jan. roy. pay. 1% $	Feb. roy. pay. 1% $	Mar. roy. pay. 1% $	Paid to Mar. 31 1% $	Dealers offering price† 1%
Ace No. 1 gross	522	553	303.71	269.38	264.90	2,194.33	$7,200
Alta. Oil Inc. No. 1 gr.	114	122	78.80	61.60	65.60	3,829.60	2,900
Do., 1 net	114	122	60.00	50.80	56.00	3,185.20	1,200
Do., No. 2 gr.	565	565	240.80	214.80	251.20	4,342.80	7,500
Do., No. 2 net	565	565	225.00	196.00	229.20	4,436.60	6,300
Allied No. 1 pfd.	...	100	37.21	36.71	50.17	442.26	1,600
Arrow No. 1 net	118	191	88.40	81.20	85.20	1,138.40	2,200
Do., No. 2 net	...	209	82.40	76.80	86.00	1,061.80	2,500
Atlas-Br. D. No. 2 pfd.	...	752	....	....	....	......	9,700
D. & D. net pfd.	...	85	36.40	29.60	41.20	1,590.80	1,500
Harris No. 2 gross	...	85	45.29	41.15	48.24	2,334.42	2,500
Do., No. 2 pfd. net	...	85	34.16	32.20	39.03	2,041.33	1,500
Independent No. 1 p.	...	250	131.93	114.30	152.64	1,169.23	3,700
Do., No. 1 gr.	...	250	98.34	85.29	109.66	1,358.30	3,700
Major Oil No. 1 pfd.	153	160	54.00	82.80	92.00	228.80	2,300
Do., No. 1 gr.	153	160	98.40	76.00	79.20	1,111.60	2,300
Do., No. 2 pfd.	744	759	525.60	483.20	485.20	2,194.80	8,500
No., No. 2 gr.	744	759	394.40	358.80	367.60	2,598.00	10,000
Do., No. 2 dfd.	744	759	....	....	....	......	5,800
Do., No. 3 pfd.	872	936	691.20	648.80	638.40	2,578.40	10,000
Do., No. 3 gr.	872	936	504.00	464.00	456.00	2,524.40	....
Do., No. 3 dfd.	872	936	....	....	....	......	7,900
Do., No. 4 pfd.	536	585	....	....	185.60	185.60	6,400
Do., No. 4 gr.	536	585	26.80	483.60	341.20	851.60	6,600
Miracle No. 1 pfd. net	704	759	523.50	486.86	500.13	3,020.85	8,300
Do., No. 1 dfd.	704	759	....	....	....	......	6,500
Do., No. 1 gr.	704	759	375.05	336.43	347.22	4,187.66	10,300
Do., No. 2 pfd.	516	575	....	....	....	......	6,000
Royalite-Model 1 gr.	...	201	....	....	....	......	4,600
Sunset No. 1 gr.	...	105	52.29	47.15	....	*6,658.82	1,900
Do., No. 2 gr.	...	85	40.36	36.64	....	*3,791.86	1,900
Twin Valley No. 1 gr.	...	181	84.15	74.86	82.35	1,728.16	4,300
United Assets (deb.)	...	175	....	....	....	......	100
Vulcan Brown gr.	...	141	80.80	110.50	85.70	7,887.05	4,300
Do., net	...	141	45.52	63.00	52.16	5,110.48	3,100
Winalta No. 1 pfd.	...	106	62.80	53.20	....	*3,057.90	1,800
York No. 1 gr.	...	94	50.64	47.43	....	*4,553.48	2,250
Do., No. 2 gross	...	85	36.00	33.60	....	*1,557.60	2,250

† Approximately 20% over dealer's bid prices usually. * To Feb. 28 only.

Drilling Wells — Prices and Depths

	Drilling depth ft.	Offering price per 1%		Drilling depth ft.	Offering price per 1%
Ace No. 2 pfd.	8,020	*$4,375	Major Oil No. 8 pfd.	6,886	7,000
Adanac pfd.	2,822	*4,375	Major Oil, No. 8 gr.	6,886	8,000
Admiral No. 1 pfd.	4,075	*4,375	Major Oil No. 9 pfd.	7,647	4,700
Admiral No. 1 gross	4,075	5,000	Major Oil No. 9 gr.	7,647	5,500
Atlas Br. Dominion No. 3	1,540	*4,375	Major Oil No. 10 pfd.	6,800	*4,375
Bonaventure pfd.	5,326	*4,375	Major Oil No. 10 gr.	6,800	5,000
Candn. Deposit. No. 1 pfd.	2,195	*4,375	Major Oil No. 11 pfd.	4,174	*4,375
Candn. Deposit. No. 1 gr.	2,195	5,000	Major Oil No. 12 pfd.	6,787	*4,375
Drillers & Prod. (unit) No. 1 & 3	Prod.	106	Major Oil No. 12 gr.	6,787	5,700
Ensign No. 1 pfd.	Cellar	*4,375	Miracle No. 3 pfd.	2,620	5,800
Hastings No. 1 pfd.	5,893	*4,250	Northclonmell No. 1 pfd.	2,032	*4,375
Inland Sarcee No. 1 pfd.	6,055	3,700	Northclonmell No. 1 gr.	2,032	5,000
Inland Sarcee No. 1 gr.	6,055	5,000	Northcross No. 1 pfd.	2,455	*4,375
Lion-Davies No. 1 pfd.	2,410	*4,200	Northcross No. 1 gr.	2,455	5,000
Major Oil No. 5 pfd.	5,205	*4,375	Northend Pete. No. 1 pfd.	7,144	5,000
Major Oil No. 5 gr.	5,205	5,200	Northend Pete. No. 1 gr.	7,144	5,800
Major Oil No. 6 pfd.	5,630	7,000	Northend Pete. No. 2 pfd.	3,873	4,700
Major Oil No. 6 gr.	5,630	7,900	Northend Pete. No. 2 gr.	3,873	5,400
Major Oil No. 7 pfd.	6,665	7,300	Northend Pete. No. 3 pfd.	6,102	5,100
Major Oil No. 7 gr.	6,665	2,900	Northend Pete. No. 3 gr.	6,102	6,000

*Pegged price.

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Today, Sturtevant facilities and workmen in the Sturtevant plant at Galt, Ontario, are almost wholly engaged in war work, supplying Canada's war production plants, the army, navy and air force with air handling units of every type and service, designed to speed up production, help win the war.

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THE B. F. STURTEVANT CO. OF CANADA LTD.
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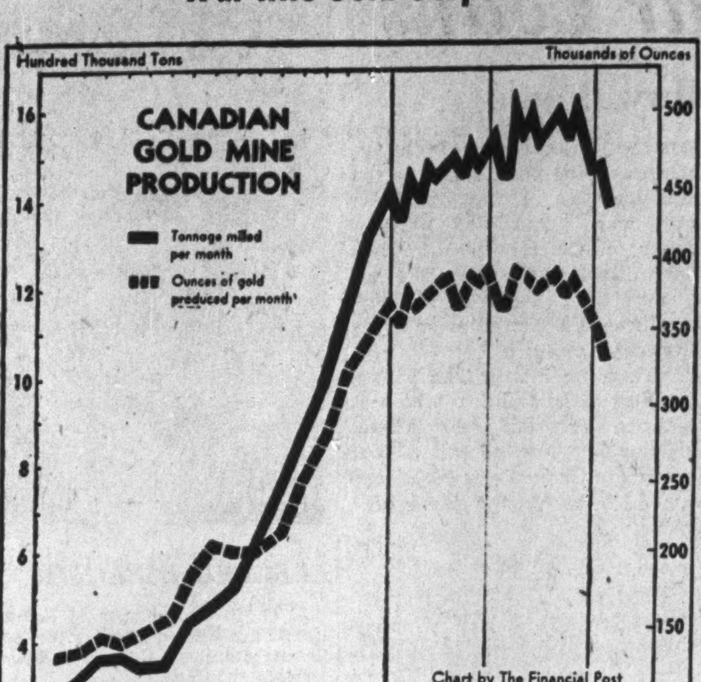
War Hits Gold Output



Canadian gold production—excluding by-product output of base metal producers—has taken a definite down-turn in Canada, a trend that may continue for the duration of the war. No construction permits are being given for bringing in new gold mines and no new producers are making debuts to offset the decline of older mines and "war casualties." Arntfield, Big Missouri and Faymar have suspended production recently and a number of other marginal producers just "trading dollars" may be forced to suspend for duration. Figures above do not include a certain amount of gold in concentrates, details of which are not available.

Mining Company Reports

Ventures Ltd.

With a substantial increase in dividend and interest income, Ventures Ltd. realized a higher net profit in 1941 with earnings equal to 41 cents a share compared with 32 cents the previous year. Working capital was higher at $1,013,190.

Reviewing the general position of the company, President Thayer Lindsley said that it would be the policy of directors to deal with dividends quarter by quarter. "On account of the present world situation, it is clear that ample reserves will have to be set aside out of the quarter's earnings before any distribution is made," Mr. Lindsley declared.

Through Frobisher Exploration and other associated enterprises, Ventures has been taking an active part in furthering the war effort. Frobisher has achieved considerable success, it is stated, and is interested in the following: the Josephine iron mine in Michipicoten, the Bessemer iron mine at Bancroft, the Ford iron mine on Vancouver Island, the Calumet zinc property, the Bruce and Superior Mines copper property, a nickel and copper property in Shakespeare twp., Ont., a tungsten-gold property on Canadian Creek in the Yukon, the Horne Fault copper-gold property and the Fleming copper property in Quebec.

Through other companies and directly, Ventures holds a 29% interest in Dominion Magnesium. Fahralloy Canada, a Ventures subsidiary, is increasing capacity at request of the government. Metal Hydrides Inc. is now established on a profit earning basis and holds government rare metal and chemical orders. American Nepheline, through a Canadian subsidiary, is considering a pilot plant for production of alumina from nepheline syenite. A zinc property is being placed in production by Ventures in Virginia.

Lead-zinc-copper properties purchased from Treadwell Yukon in the Sudbury area and holdings of Sudbury Basin represent a potential source of base metals if wartime conditions justify. Holdings of Ventures at the end of 1941 showed no great change from the end of the previous year.

	Shares held 1941	% Of outstand. capital	Shares held 1940
Amer. Nepheline	886,318	78.88	886,318
Coniaurum M.	1,430,000	51.68	1,430,000
Eureka Corp.	3,375	35.40	*
Falconbridge N.	1,319,930	39.55	1,319,930
Hoyle Gold M.	1,547,712	30.96	1,542,112
La Luz Mines	779,758	57.51	698,278
Matachewan Con.	930,655	27.13	930,655
Sudbury Basin	1,049,110	62.10	1,049,110
Associated Companies:			
Beattie Gold M.	2,120,167	42.40	2,020,167
Candn. Malartic	468,373	12.83	467,373
Lake Dufault M.	1,036,000	44.83	969,500

*Not available.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Dividends & interest	988,239	850,846
Profit on secs.	153,119	63,333
Int. & exchange	14,822	18,973
Share, mining profits	2,930	......
Gross earnings	1,159,110	933,152
Less: Exec. salaries	17,306	17,040
Legal fees	4,056	1,265
Admin. expenses	29,488	33,794
Explor. exps. w/o.	32,007	39,003
Securities w/o	101,046	30,492
Advances w/o	13,671	10,985
Prov. for taxes	15,620	47,000
Trans. to invest. res.	300,000	250,000
Net profit	645,916	503,573
Less: Dividends	314,790	236,093
Surplus for year	331,126	267,480
Add: Prev. surplus	1,783,966	1,516,486
Surplus forward	2,115,092	1,783,966
Earnings Per Share and Dividend Record:		
Earned	$0.41	$0.32
Paid	0.20	0.15
No. of Shs. Outstand.	1,573,951	1,573,951
Working Capital		
Current assets*	1,043,104	990,037
Current liabilities	29,914	54,023
Working capital*	1,013,190	936,014

*Taking securities at book value which exceeded market by $30,143 in 1941.

Sherritt Gordon

While the fact no new ore was opened up by Sherritt Gordon Mines in 1941 meant that ore reserves were drawn on by almost 550,000 tons, deep diamond drilling since the turn of the year has intersected 10.5 ft. of the ore to the west on rake grading 2.8% copper and 4% zinc, suggesting a new ore body may be coming in from the west.

Exploration has also revealed a new sulphide deposit but values have been below ore grade; exploration is continuing in an attempt to develop better values in it or other possible similar ore bodies.

While profit of $123,309 or two cents a share was lower than the three cents a share of 1940, working capital was increased some $210,000 to $2,342,411 after paying 10 cents a share in dividends and investing $121,053 in a new venture, Michipicoten Iron Mines.

Michipicoten Iron Mines holds title to the Josephine iron mine and financing is being carried on jointly by Sherritt Gordon and Frobisher Exploration Co. with the probability of a profitable operation stated to be indicated. A shaft is to be put down to over 1,000 ft. and a pilot plant is to be erected.

A satisfactory contract is stated to have been arranged with Metals Reserve Co. for sale of zinc concentrates. Preparation of the east mine for zinc production has been undertaken.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net sales returns	3,600,342	3,764,686
Add: Inv. increase	150,863	*162,475
	3,751,205	3,602,211
Less: Mine develop.	411,658	396,243
Mining	722,350	788,647
Back filling	7,391	10,682
Crushing & convey.	78,940	62,415
Mill. & concentrat'g	252,903	249,116
Gen. mine expenses	170,455	159,109
Marketing & smelt.	1,028,502	963,992
Admin. & gen. exp.	54,240	44,687
Net oper. earnings	1,024,766	927,320
Add: Other income	19,105	14,230
Oper. profit	1,043,871	941,550
Less: Develop. w/o	460,154	410,663
Depreciation	297,212	291,794
Income taxes	86,000	55,000
Sherridon dev. loss.	13,485	14,809
Outside exploration.	63,711	803
Net profit	123,309	168,481
Less: Dividends	587,443	587,443
Deficit for year	464,134	418,962
Add: Prev. deficit	833,612	414,650
Deficit forward	1,297,746	833,612

*Decrease.

	1941	1940
Earnings Per Share and Dividend Record:		
Earned	$0.02	$0.03
Paid	0.10	0.10
Working capital	2,342,411	2,130,302

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The Week In Oils

From Our Own Correspondent

CALGARY.—Major Oil Investment's No. 9 vital test on northeast flank of Turner Valley, has reached its Madison limestone objective. The well confirmed the Madison last weekend somewhere between 7,605 and 7,635 ft. On Monday last, drilling was proceeding below 7,721 ft.

The vital test is located in L.S.D. 14-21-3w5, quarter of a mile east of the Foothills' No. 10 well in the north Turner Valley extension area. Foothills No. 10 reached the lime at 6,619 ft., on the crest of the structure, 1,000 ft. shallower than the lime contact at Major No. 9.

As the Major test drills into the Madison, it is interesting to refer back to the pre-drill report on the location prepared by geologist J. O. G. Sanderson. The geologist stated that the limestone might be found as shallow as 6,300 feet if the well reached the crest of the Madison body, or as deep as 7,800 feet if the bit went down the east flank.

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Shell "Castor" Test

Shell Exploration (Alberta) Ltd., now subsidiary of Shell of California, will drill its first Alberta well about 3½ miles east and slightly south of the town of Castor, on the central Alberta plains some 85 miles due east of Red Deer, and some 65 miles northeast of Drumheller. It was learned authoritatively this week that the initial test will be in Township 37 Range 13w4, but the exact location has not yet been announced. It is understood that rotary drilling equipment for the Castor test is now enroute from California, and that drilling will likely get underway shortly.

Probably the next Shell location will be in the entrance area in the foothills west of Edmonton. Survey for the location is now under way, and an announcement of the site is expected to be made soon.

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Ship Tilley Crude

With pipeline and railway spur completed, the initial shipment of crude oil from the Northwest Co. Tilley No. 2 well was made last week. Five tank cars—around 1,000 bbls.—of oil left the Tilley siding en route to the Imperial Oil refinery at Regina. The next shipment will likely be made in the very near future.

Meanwhile, Northwest-Tilley No. 2 well, closed in April 22 because available tankage was loaded, was re-opened last Wednesday. Held down under strong back pressure, the well was producing 60 bbls. per day early this week.

The newly completed Northwest-Tilley No. 4 well, north offset of No. 2, is now on production test. The casing was gun-perforated from 3,162 to 3,166 ft. at the Sunburst sand level, and the well early this week was making considerable gas, but with little or no crude oil as yet. Tilley No. 2 was gun-perforated in the 16-ft. zone from 3,179 to 3,180 ft. Northwest-Tilley No. 3, early this week, was drilling below 2,158 ft.

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Drill Wainwright Well

Wainwright Development No. 1, Wainwright field test sponsored by Clifton C. Cross and associates, was spudded in last week end by contractor General Petroleums.

After setting surface pipe at 283 ft., the contractor resumed drilling Thursday and is now making hole below 1,253 ft. The well is located in L.S.D. 8 17-45-6w4, a mile south and east of the several producing wells in the Wainwright field.

Bonanza Royalties No. 1, Cross-sponsored test in the Pouce Coupe area, was spudded in on April 22, and was making hole at 550 ft. when the last report was received from the field.

New Ranchmen's Oil & Gas Co. reports that collar has been completed at its No. 1 well-site in the Aldersyde area, and that a cable tool rig will probably be moved onto the site during the coming week.

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Abandon McColl Well

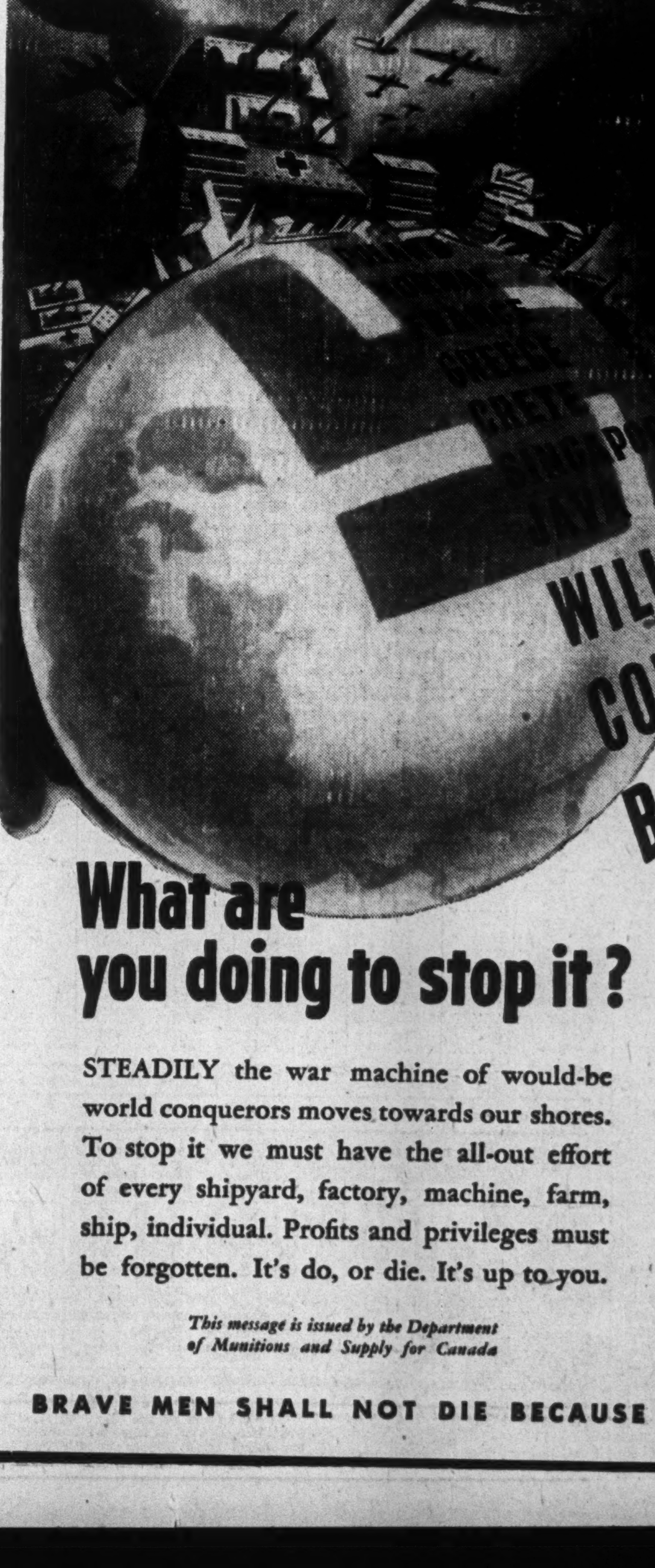
McColl-Frontenac Oil Co. reports that its Monitor test in L.S.D. 17-28-5w4 is being abandoned at 3,680 ft. water having shown up in the top of the Jefferson lime. It is understood that consideration is being given to the staking of a third test in the Oyen district.

The McColl-Frontenac development is being undertaken under an income tax concession agreement with the Dominion, details of which were announced last week. The two required wells have now been drilled, but further funds are available if the company and the government consider that further drilling is warranted.

Standard of B. C. To Drill Taber

CALGARY.—Extending its activities in the southern Alberta plains, Standard Oil of British Columbia has taken up around 11,000 acres in the long highly-regarded Taber Area, has staked its first well-site, and is now rigging up preparatory to commencement of drilling.

The initial Standard test, to be known as Taber-Province No. 1, is located in L.S.D. 9 18-9-16w4, about 3½ miles due south of the town of Taber, and around 2½ miles south and east of the Plains Pete. No. 2 well, currently the only oil producer in the Taber Area. The field is a *shallow dome* structure with reasonable prospects for production in the sands overlying the Madison limestone, and in the limestone itself.


WILL OUR COUNTRY BE NEXT ????

What are you doing to stop it?

STEADILY the war machine of would-be world conquerors moves towards our shores. To stop it we must have the all-out effort of every shipyard, factory, machine, farm, ship, individual. Profits and privileges must be forgotten. It's do, or die. It's up to you.

This message is issued by the Department of Munitions and Supply for Canada

BRAVE MEN SHALL NOT DIE BECAUSE I FALTERED

War Metal Drive Gets New Assistance

Bonus Metal Prices May Join New Tax Concessions in Spurring Activity

By GORDON M. GRANT

Tax concessions, possible further government assistance for financing development and likely "bonus" prices for some metals, will spearhead Canada's big 1942 drive for a greater production of badly-needed strategic minerals.

For the past two months the ground work has quietly been laid for a scientific approach to the problem of war metals. Well-attended prospectors' classes have been held in Toronto, Kirkland Lake and Sudbury, with mining company field staffs and prospectors instructed in occurrence, characteristics and prices of the minerals on the Metal Controller's "Wanted" list.

Aid For Prospecting

With prospecting for gold deposits practically suspended due to the almost insuperable difficulties barring new properties reaching production, prospectors' interest naturally centres around strategic and non-ferrous metals this year. Money for prospecting of any kind, however, has been difficult to find for years and following representations by the Ontario Prospectors and Developers' Association, authorities at Ottawa decided that something should be done to "line up" investors in the 1942 prospecting drive.

Tax concessions were the Ottawa answer to the question of money for prospecting. If strategic mineral hunting is not by itself profitable enough to attract investor interest, it was decided the government would have to share in the expense of prospecting with tax concessions. As outlined by Finance Minister J. L. Ilsley, any individual or corporation may in 1942 secure a tax concession against income and excess profits tax for up to $5,000 — if that money is invested in prospecting enterprises. Not more than $500 may be invested for tax concession purposes in any one enterprise but a person can invest $500 in each of ten syndicates and secure exemption for the $5,000 total.

How Individual Affected

The tax concession for "prospecting investment" provides that in no case shall the tax saving to any person by reason of the allowance be more than 40% of the amount of deductions. For a married man, an income of over $9,500 per annum would appear to be necessary for 40% maximum tax saving clause to become a factor. Up to the $9,500 married man top limit, it would appear the higher the income, the greater the tax saving possible by investing in strategic mineral prospecting. For a married man with a $9,000 a year income, $5,000 of prospecting only costs $3,000 net.

Production Chances Better

If a deposit of a strategic mineral is found, chances of the bringing of a deposit to the production stage appear better than the average. The Dominion government has a very real interest in seeing that deposits are placed in production. That the government is willing to assist in placing properties in production has been made clearly evident. Not only has the financing of production facilities been facilitated by tax concessions and bank loan guarantee as in the case of the Golden Manitou zinc property but earlier stages of mining development have been receiving government assistance.

Properties Financed

Molybdenum production at Quyon, Quebec, has received government aid. Rehabilitation of old chromite properties in the Black Lake area, Quebec, has been made possible by government funds. Two fluorspar properties in the Madoc area are being brought to production with government loans. Magnesium production by Dominion Magnesium at Haley's Corners, Ontario, has been arranged through erection of a government-owned plant. Formation of Wartime Metals is evidence of how the government is being forced into the strategic metal mining business. Wartime Metals is charged with construction and operation of any mining or metallurgical work on which the government may decide.

The fact the Dominion realizes aid is necessary to secure production of needed war metals means the developer doing the original spade work, doesn't have to worry quite so much about raising money later. So great is the need for strategic minerals that the request has gone forward to search for and develop even submarginal deposits—those on which no profit can be realized at present metal prices. It appears unlikely that a request would be made to locate such properties unless some form of government aid was in prospect.

Bonus Metal Prices Likely

No official statement has yet been made by Dominion authorities in regards to "bonus" metal prices but it is understood that such bonus prices are to be expected for at least two strategic metals. An announcement on this point will likely be made shortly, it is understood. Molybdenum and cobalt are mentioned as the possibilities.

Over 300 molybdenum properties are known in Canada and a higher metal price would undoubtedly stimulate greater production. At present Quyon Molybdenite is the sole producer in Canada. Climax Molybdenum, the great United States producer, has dominated the world molybdenum picture for years but with the use of molybdenum as a substitute for tungsten and other "tight" metals, the United States producer is unable to cope with the demand despite rapid increase in output.

Wider Cobalt Hunt?

Cobalt was formerly an important mineral in Canada and a considerable amount is still secured in the Cobalt area. It appears likely that a wider search for the metal would bring forth a number of properties worthy of development. Old worked-out silver mines in the Cobalt area are potential sources of the metal. Cobalt is a strategic metal in this war.,

It is utilized in cutting tools and drills, welding rod, stock for tipping tools, dies, valve steel, magnets electroplating and as a catalyst. It is stated to have found a particularly important use in airplanes. Bearings that will last for a considerable length of time without oil lubrication can be made with cobalt.

In view of the assistance already accorded chromite properties, it appears obvious that the Dominion Government regards it as one of the metals of which large additional supplies would be welcome. Besides its use in corrosion-resistant steels, chromium has an important place as a refractory and in the electroplating and paint industries.

Manganese in Spotlight

The ever-changing international situation brings with it changed needs in the war metal field. Manganese, an essential for steel production, is only turned out by one small mine in Canada. Supplies used to come from the U.S.S.R., the world's largest producer. India is the second largest producer — with the Japanese within 200 miles of India's border, the manganese situation is a critical one. The United States produces only about 5% of her own requirements but steps are being taken to put large submarginal deposits in production.

Japanese advance has meant that tungsten no longer comes out of China or Burma, the two largest sources. Canadian gold mines are producing ever larger quantities but not enough. A first class tungsten property would be a valuable addition to Canada's strategic mineral resources. Consolidated Smelters has already one small mine in British Columbia.

Mercury Mine Helps

While Canada has become the largest producer in the British Empire of mercury—due to development of the Pinchi Lake property by Consolidated Smelters—further deposits are still wanted. Cinnabar, the ore of mercury, usually occurs near the surface and deposits can be developed and placed in production with a relatively small amount of trouble. Cinnabar is one of the strategic minerals we are most likely to find—British Columbia is the place where it is likely to be found. No deposits have yet been located outside of that province.

Tin, antimony and vanadium are other metals for which the prospector will hunt this year. There are a number of places in Canada where tin may be found. It has already been reported from British Columbia, the Yukon, and Manitoba, but the Cordilleran area, the Canadian shield and Maritime provinces are looked on as the most likely places for developing lode deposits. Antimony is found in British Columbia but vanadium — an alloying element in steel production—has not yet been found in commercial concentration anywhere in Canada.

Industrial Minerals Needed

Metals are not the only thing to be sought by the prospectors in 1942. A long list of industrial minerals exists for which shortages either exist already or loom on the horizon. Some of these minerals are known to exist in Canada but some are new names for Canada's prospectors.

Mica, of which there has been a considerable production from Canada in the past, is in the spotlight again. Already considerable investigation of occurrences has been undertaken and at least one rich find has been made the last few months. Canada and Madagascar are the sole world sources of amber mica. This country represents the only assured source of a material essential for airplane spark plugs. Muscovite or white mica is more common but further supplies of it are also needed.

Where Mica Found

Amber mica is found chiefly in eastern Canada. The mineral with which it is associated is found in adjacent portions of eastern Ontario and western Quebec, along a line running from Kingston on Lake Ontario to Ottawa and thence northward through Papineau and Labelle counties, Quebec. It is also found in smaller areas occurring as "outliers" beyond the main productive region, as far west as the Bancroft-Wilberforce section in Ontario and Pontiac, Argenteuil and Joliette counties in Quebec. Bancroft is in Ontario's Haliburton summer resort area and the suggestion is thrown out that holidayers can help their country by keeping their eyes open for mica this summer.

"Iceland Spar" Wanted

Mica is a familiar mineral to Canadians but Iceland spar and quartz crystals are practically new to prospector and mining engineer alike. Both are important, however, and Dominion authorities want prospectors to search for them. Iceland spar is essential for the manufacture of certain optical instruments essential to scientific research and industrial development. Gradual failure of the Iceland deposit has caused an increase in prospecting for this mineral, a perfectly transparent and colorless variety of calcite.

Iceland spar has been reported from several places in British Columbia and the North West Territories. Several deposits are also known in the United States and South Africa. Explosives can't be used in mining Iceland spar. The crystals are delicate and must be removed with the greatest of care.

Seek Quartz Crystals

Quartz crystals too are a particularly strategic raw material. Quartz crystals of a certain type are required as a source of thin plates for use in Piezo-Electric resonators and oscillators. These instruments have special applications in connection with apparatus for depth-sounding, directional sound detection, control of radio signals in both sending and receiving in multiple telegraphy, and in wireless field telephones, etc.

How successful prospectors will be in finding these—and the commoner non-ferrous metals—can only be determined by this summer's work. Success in developing mercury, tungsten, chromite, iron and manganese properties the past year or two suggests careful prospecting should yield results.

That the Dominion needs—and is willing to finance—strategic metal deposits cannot be doubted. The general policy has been to leave the initiative with mining industry but to assist when real possibilities are revealed for turning out some mineral of which the United Nations have a deficiency.

SAVE FOR CANADA

Save something regularly, because: You strengthen Canada's might for war.

You help finance purchases in Canada for our Allies. You form the habit of thrift that safeguards your future. You open for yourself the door to opportunity. And you smooth the path for post-war readjustments.

Money in the bank gives you a comforting sense of security.

To Save is Practical Patriotism

THE CHARTERED BANKS OF CANADA

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES:
Agency Building - Edmonton, Alta.
221 A 8th Ave. W. - Calgary, Alta.
McCallum-Hill Building - Regina, Sask.
411 Avenue Building - Saskatoon, Sask.

Mining Concentrates

International Titanium Corp., a Ventures subsidiary, has installed a preliminary concentration plant in Australia, together with a final treatment plant in New Jersey. It is now turning out a high-grade rutile product for the welding rod trade. Because of its essential nature there has been no difficulty so far in obtaining shipping space to bring the crude concentrates from Australia.

* * *

La Luz Mines treated an all-time record of 1,415 tons in 24 hours on Jan. 3. Mining and stripping are at present dependent on the supply of truck tires. Before underground drilling gets into full swing, it may be necessary to reduce tonnage temporarily toward the end of 1942, unless a further supply of tires can be obtained in the meantime.

* * *

Manitoba & Eastern Mines remained inactive in 1941, but continues to hold its Temagami and Porcupine properties. Certain groups are negotiating for the Temagami ground on a royalty-lease basis and if completed this may provide an income in the next six months.

* * *

Normetal Mining Corp. had an operating profit of $197,067 the first quarter of 1942, it was revealed at the recent annual meeting. Current profits are stated to be running higher with a dividend a possibility for next year. Bank loan, which stood at $250,000 at Dec. 31, 1941, has since been reduced to $35,000. The balance is expected to be liquidated some time in July.

* * *

Duquesne Mining Co. has issued 4,500 shares to C. Glenn Hunter, executive vice-president and M. A. Sprott, assistant secretary, respectively, for services rendered.

* * *

Matachewan Consolidated Mines reports profits before write-offs of $27,398 for the quarter ended Mar. 31, 1942, compared with $16,031 the same quarter of 1941. No charge is included for taxes in the 1942 quarter due to increased write-offs for depreciation. Output the March, 1942, quarter was $204,134 against $191,604 a year earlier.

* * *

Granby Consolidated had a net profit of $132,423 equal to 29 cents a share in the three months ended Mar. 31, 1942, compared with $152,781 in the first quarter of 1941. Before the end of the quarter, funds to retire the remaining debentures totalling $141,700 were deposited with the Trusts & Guarantee Co. allowing repayment on the due date, April 1. A regular dividend of 15 cents a share plus an extra dividend of 5 cents a share has been declared in United States funds, both being payable June 1, 1942, to shareholders of record May 15, subject to approval of the Foreign Exchange Control Board.

* * *

Osisko Lake Mines carried on no work in 1941, but claims were maintained in good standing. The company owns 156,250 shares of Pelletier Lake Gold Mines. Balance sheet at Dec. 31, 1941, shows a $2,100 loan from Ventures Ltd. as against current assets of $20. Annual meeting is April 28.

* * *

East Malartic Mines reports lower production the first quarter of 1942 although average recovery is higher:

Quarter ended	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1942	130,845	1,454	5.26	688,142
Dec. 31, 1941	136,913	1,488	5.06	692,543

* * *

Hard Rock Gold Mines production was slightly lower the first quarter of 1942:

Quarter ended	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1942	34,860	387	8.68	302,670
Dec. 31, 1941	37,769	411	8.18	308,819

* * *

Lake Shore Mines shows a further recession in production for the first quarter of 1942:

Quarter ended	Tons milled	Tons daily	Recov. per ton $	Total recov. $
Mar. 31, 1942	61,935	686	15.85	981,402
Dec. 31, 1941	83,634	909	15.29	1,278,923

* * *

Homestead Oil and Gas advises $1,500 has been received under its underwriting agreement. Next installment comprises an option on 50,000 shares due June 30.

Aluminum Mine For Canada?

Consideration of erection of a small plant for production of alumina—from which aluminum can be derived—using nepheline syenite as a source, is being considered by American Nepheline, a subsidiary, it is revealed in the annual report of Ventures Ltd.

Last November The Financial Post reported Ventures Ltd. and Aluminum Co. of Canada were investigating possible sources of aluminum in Canada and that deposits of nepheline syenite were important in this regard. Working out of a recovery process was reported. Since then W. B. Timm, Director of Mines and Resources, Dominion Department of Mines and Resources, has announced development of a commercial process for recovery of alumina from extensive deposits of nepheline syenite in Canada, potash and soda ash being secured as by-products.

Mining Company Reports

Howey Gold

With production suspended in November due to unsafe mining conditions, Howey Gold Mines realized a profit of $225,382 equal to 4.5 cents a share in 1941 compared with 6 cents the previous year. Dividends received of $138,390 represented more than half the 1941 net profit.

Working capital at the end of 1941, taking securities at market, was $1,912,945, equal to 38.2 cents a share while an additional $200,000 is expected to be received from sale of equipment.

Three options were taken in connection with "group" activities in 1941. Two options were dropped but the Amphi option remains in good standing. Results on a group of claims in the Red Lake area did not justify further work.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Ore production	841,941	959,709
Interest earned (net)	7,402	7,716
Dividends received	138,390	179,451
	987,733	1,146,876
Less: Devel. & explor.	2,160	5,131
Mining	324,633	358,780
Crushing & convey.	42,465	42.981
Milling expenses	218,051	224,781
Ship., mktg. bullion	3,201	3,693
Insurance	13,386	14,139
Admin. & gen. exp.	89,738	88,535
Oper. profit	294,099	408,836
Less: Depreciation	......	18,723
Outside explor. w/o	14,275	15,984
Investment w/o	......	6,000
Tax reserve	54,442	66,043
Net profit	225,382	302,086
Less: Dividends	200.000	250,000
Surplus for year	25,382	52,086
Add: Prev. surplus	98,071	45,985
Profit on asset	14,313	......
Surplus forward	137,766	98,071
Earnings Per Share and Dividend Record:		
Earned	$0.045	$0.06
Paid	0.04	0.05
Working Capital		
Current assets*	1,920,892	2,044,119
Current liabilities	69,890	247,376
Working capital*	1,851,002	1,796.743

*Taking securities at book value which was $61,943 less than market value in 1941.

Eldorado Gold

An increase in earnings from 1.3 to 4.3 cents a share was recorded by Eldorado Gold Mines in 1941, but the surplus account was slightly lower at the end of the year due to writing off $177,134 for radium on loan in enemy-occupied countries.

Working capital at the end of 1941 amounted to $1,275,054, over $100,000 higher than the previous year. Substantial progress was made in reduction of loans during 1941.

Research work has been carried on at the Department of Mines at Ottawa and at Port Hope to improve recoveries at the mine when the property is reopened. Concentrates remaining on hand are stated to be sufficient to keep the company operating throughout 1942.

The refinery is now working at capacity. Sales were a new high in 1941 at $1,070,838.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross income	1,265,362	983,835
Less: Oper. exps.	964,971	776,899
Oper. profit	300,391	206,936
Add: Non. oper. inc.	2,415	3,754
Gross profit	302,806	210,690
Less: Depreciation	135,486	130,471
Development w/o	......	24,123
Income taxes	......	6,000
Net profit	167,320	50,096
Add: Prev. surplus	393,043	1,027.231
Capital surplus	......	201,601
Prior yr. adjusts.	......	16,183
Less: Pr. yr. adjusts.	1.114	......
Inv. on loan lost	177,134	......
Prom. on shs.	......	71,000
El Bonanza w/d	......	217,818
Great Bear dev. w/o	......	613,250
Surplus forward	382,115	393,043
Earnings Per Share and Dividend Record:		
Earned	$0.043	$0.013
None paid.		
No. of Shs. Outstand.	3,905,046	3,905,046
Working Capital		
Current assets	1,648,333	2,086,399
Current liabilities	373,279	917.062
Working capital	1,275,054	1,169,337

Hedley Mascot

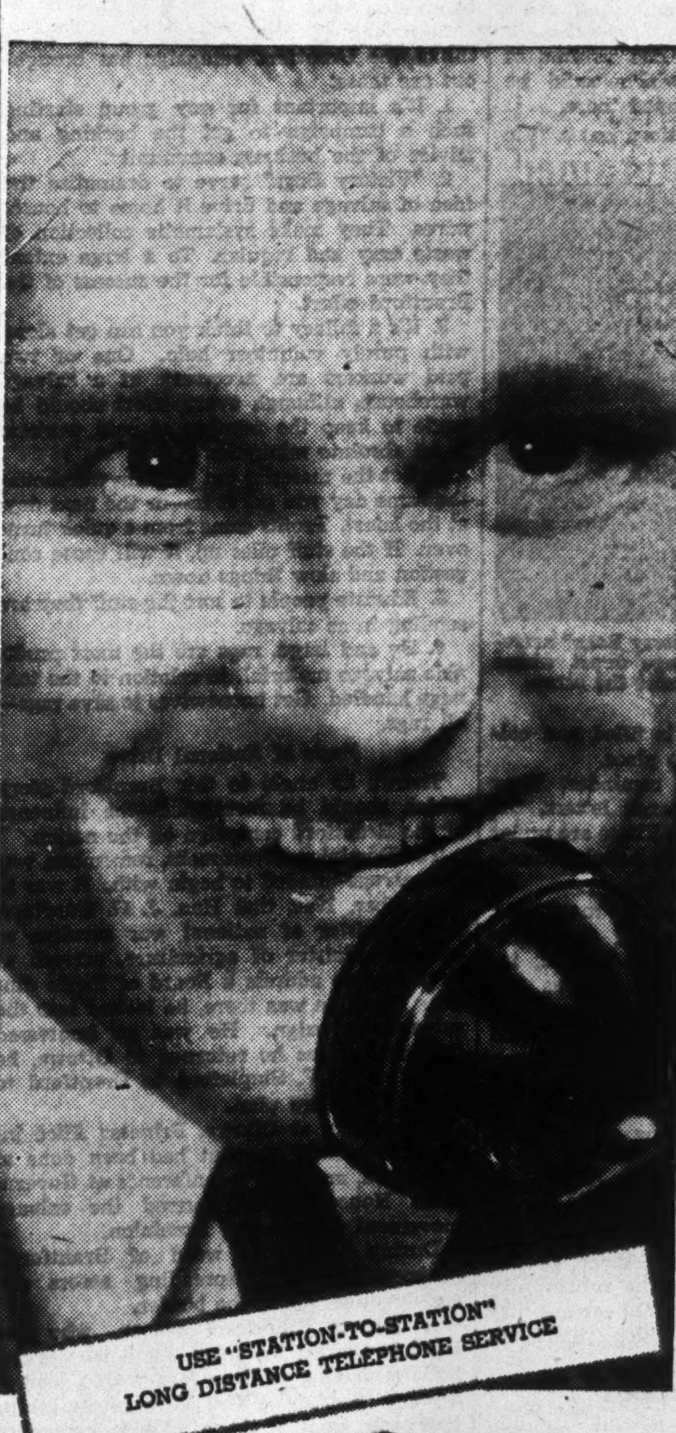
Earnings of Hedley Mascot Gold Mines declined from 8 to 5.5 cents a share in 1941, but after paying dividends at the usual rate of 8 cents a share per annum, the company was able to increase working capital by approximately $30,000 to $278,852.

Ore reserves at the end of 1941 are stated to approximate three years' milling requirements. It was necessary to draw on ore reserves by 21,838 tons to mill 66,164 tons of 0.380 oz. grade ore in 1941. Since the beginning of 1942, it is stated the rate of discovery of new ore has been considerably increased.

Extensive surface exploration and deep drilling was carried out in 1941. Consideration has been given to driving a new deep level to open up the Galena, Nick-O-Time and Copper Chief claims, but it has been decided that this work should be deferred until after the war.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Concentrate revenue	834,469	864,670
Less: Min. & milling	465,585	377,339
Marketing expense	71,828	113,228
Admin. expense	18,572	18,912
Net oper. earnings	278,484	355,190
Add: Interest, etc.	1,552	1,661
Less: Canty milling	11,746	17,456
Depletion	......	18,288
Deprec. & amort.	82,493	61,360
Taxes	62,106	80,351
Net profit	123,689	179,396
Less: Dividends	181,130	181,130
Deficit for year	57,441	1,734
Previous surplus	431,517	433,251
Surplus forward	374,076	431,517
Earnings Per Share and Dividend Record:		
Earned	$0.055	$0.08
Paid	0.08	0.08
No. of Shs. Outstand.	2,264,130	2,264,130
Working Capital		
Current assets	413,659	403,104
Current liabilities	134,807	155,911
Working capital	278,852	247,193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As quick as you can say "Jack Robinson" -isn't very quick!

NOT as telephone engineers reckon quickness! True, the long distance telephone will carry your words almost with the speed of light clear across the continent... but it takes half a second to say "Jack Robinson"... and, if a million telephone subscribers were to say it over one long distance line, it would tie that line up for six days and six nights! During the present emergency, you can help us to maintain long distance telephone service at its normal peak of efficiency by not saying "Jack Robinson" unless you really have to. Whenever possible, place your long distance calls "Station-to-Station" rather than "Person-to-Person". You'll save money, too, because "Station-to-Station" costs less.

The Trans-Canada Telephone System and its member companies are doing their best to meet urgent war needs and at the same time satisfy growing civilian demands for day-to-day long distance telephone service.

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

Big 'Test Tube' Salvage Drive

Brantford Pioneers and Provides Model for Whole Nation

By **IAN SCLANDERS**

Indians of the Six Nations Reserve turned up at Salvage Headquarters in Brantford a while ago to donate the trophies they captured in the last war.

They had stripped their council house of machine guns, gas masks, steel helmets, shell casings.

"You do a good job," the dignified chief told salvage officials, in explanation of the gesture. With his racial thrift of words, he understated the facts.

Brantford has not only done a good job, but a job so good that it has set the pace and provided the example for every other municipality in the country. In a sense, the salvage effort in this Ontario city of 34,000 population has been the forerunner and test tube of the national salvage campaign.

It has also proved what a community can do when everybody works together. In a 21-month period which ended March 21 last, Brantford salvaged 905 tons of material needed to help win the war, and by so doing earned $8,763 for the Red Cross and various other war causes.

Here is the Brantford salvage truck that has helped make that city's salvage campaign model for the whole Dominion. Right is Mrs. George T. Cockshutt, head of the Brantford Local Council of Women, which has arranged the campaign.

CAL COUNC
SALVAGE

It's an every-day sight in Brantford to see wives and daughters of the leading citizens driving a truck around to collect old rags, old paper, old metal—anything that can be used.

They don't do it because of the novelty, which has long since worn off. They do it because it's one way in which they can serve Canada.

To take the story chronologically, it begins in the spring of 1940, when E. C. Gould, of the finance committee of the Brantford Red Cross, broached the subject of salvage to the Brantford Local Council of Women.

His proposition was that the Red Cross and the Local Council should split the profits. The profits, of course, were of secondary importance. The main motive was to prevent waste—to conserve those things the country required.

Mr. Gould suggested the distribution of "Victory Bags"—huge paper bags in which householders would keep materials worth salvaging.

The Women's Council, headed by Mrs. George T. Cockshutt, a blue-eyed young matron with a genius for organization, quickly took up the plan and got busy.

How It Was Done

There were meetings with the City Council, the Board of Trade, this group and that. Brantford's leading business men were recruited as an advisory board.

"We couldn't have succeeded if the business men hadn't aided us," says Mrs. Cockshutt.

W. B. Preston, publisher of The Brantford Expositor, swung in behind the scheme and gave it columns of publicity. Radio Station CKPC of Brantford contributed radio time. The firemen got interested and said they would help. So did the Boy Scouts, the churches, employees of the factories, staffs of the different banks.

The city owned an unused warehouse. That, said the Mayor and Council, could be used as a salvage depot.

The Board of Trade agreed to undertake the initial clerical work, and, for a while, the tough chore of answering telephone calls. Motor dealers loaned two used trucks. Members of the Women's Volunteer Auxiliary Drivers' Corps agreed to drive them.

Markets for waste materials were investigated. At that time the Dominion government had not studied the possibilities of salvage, and had no advice to offer along this line. There were reports that the government had been embarrassed a bit by questions about salvage outlets which had come from one or two municipalities in the Prairies.

Brantford's business men were soon able to find out what could be sold and where.

"Victory Bags"—heavy brown paper bags 22 inches wide and 33 inches long—were ordered by the thousands; 350 women volunteered for a house-to-house canvass: firemen and Boy Scouts also offered their services for this canvass. Finally, everything was ready to go.

The day the canvass started, rain fell in sheets, but there was no talk of a postponement until the sun shone.

Buy It If You Can

In one day, "Victory Bags" were placed in 7,000 homes. Householders were asked to contribute 10 cents for the first "Victory Bag," but, if they were unable to contribute, a bag was left without cost.

In no time at all the phones of the Board of Trade office buzzed all day long. "My 'Victory Bag' is full. Will the salvage truck call . . ."

The volunteer drivers kept the borrowed trucks going from eight in the morning until 10 at night for weeks on end. The girls worked in shifts, relieving one another, but the trucks must have broken some endurance records.

The salvage depot was piled to the ceiling with waste that had to be sorted.

Well, there were volunteers to meet this situation, too.

Factory workers from one factory pitched in one evening, and from another factory the next. The banks took turns providing shifts of workers, with bank managers and juniors sorting refuse side by side. The churches and other organizations sent sorters.

It was dirty work, hard work.

When more volunteers were needed, to handle a rush, the radio station put a "spot" on the air. "The salvage depot needs volunteers immediately. Please help out . . ."

At other times Mrs. Cockshutt or one of her colleagues would wander around commandeering the services of men who happened to be loafing on the streets or on porches.

After the first rush things calmed down a bit. People had cleaned out their attics and their basements, had gathered the old tires from their garages. The volume of salvage reached a point which could be steadily maintained—and stayed there.

Every housewife in Brantford has a "Victory Bag" now. When it is filled and collected, another is left in its place.

Here is a truck load of "Victory Bags" arriving at the Brantford salvage depot where volunteer workers will sort the scrap.

The bags are a constant reminder. They have listed on them, in large letters, the items which should be kept. These are under four headings—paper, rags, metal, miscellaneous.

Under paper are newsprint, magazines, boxes, cartons, bags, wrapping and cardboard. All kinds of rags are wanted, including burlap, twine, carpet, canvas and old clothing. Metals listed are copper, brass, lead, zinc, aluminum, cast iron, steel and wrought iron. The miscellaneous column specifies rubber, tinfoil from cigarette packages, tea packages, chocolate bars and so forth, tooth paste and shaving cream tubes, felt and mattresses.

It has been impressed on Brantford housewives that everything they are asked to save is needed for war production, directly or indirectly. The metals, for instance, go into ships, guns, tanks, planes. The rubber may become tank treads, and the old cartons may turn into containers in which shells are shipped.

Two Hired Hands

The campaign started off with no paid workers at all, but this proved impracticable. There is now a paid warehouse foreman, and one helper. A small office has been built in the warehouse, and telephone calls are taken there.

There were some in Brantford who were receiving aid from the city welfare department. The City Council decided that any of these who were capable of working should put in two days of salvage sorting each fortnight in return for their welfare orders.

You get a good idea of the spirit behind the effort if you know that a lot of these welfare recipients, only obligated to sort for two days each two weeks, turn up every day of the week, every week, just as though they had steady jobs.

There's a little wisp of a man, an Armenian, frail and sick. No matter how tough he feels, he's there working. "I like to help Canada," he explains with a shrug. "This work I do—it's all I can give."

They all feel that way—feel that the salvage effort is giving them a chance to serve in the war.

That same feeling motivates the people who save the salvage material and send it in. Trophies of the last war—such as those the Indians gave—are common. There have been pewter mugs and candlesticks, metal tables, stoves, furniture. There have been many things too good to be sold as scrap, and this has led to a little side venture—a second hand store, located in the front of the salvage warehouse.

Among other articles, you may buy any kind of a clock at this store. Clocks haven't much salvage value, as scrap, but there's a Brantford man who's a whizz at fixing a clock no matter how badly battered. He fixes those which come in—so they can be sold at a profit which will go for war purposes.

Volunteers have refinished and re-upholstered a good deal of the furniture sent for salvage, and this is now being used in the clubs and canteens set up for the military camps around Brantford.

Gross receipts of the Women's Council from the salvage campaign were $16,526 up to the end of March. A breakdown shows the sources this came from as follows: Paper, 701 tons, $7,983; rags, 75 tons, $4,201; metal, 108 tons, $1,940; sale of "Victory Bags," $615; miscellaneous, 21 tons, $1,787.

Operating expenditures were $6,917, which included salaries of foreman and helper, telephone bills, cost of purchasing "Victory Bags" at $42 a thousand, gasoline and oil, office supplies and so forth. There was a capital expenditure of $845 for equipment and truck.

Where the Money Went

Now, as to what is done with the money, here's a list of disbursements: Canadian Red Cross Society, Brantford Branch, $4,250; cigarettes to Brantford soldiers overseas, $1,176; cigarettes to D.-H. send-off, $10; hospital training centre, $124; Soldiers' Active Service Club, $125; Christmas boxes, 1940, Brantford soldiers overseas, $100; Queen's Canadian fund, $223; sergeants' mess furnishings, No. 5 R.C.A.F., $104; British Fire Fighters' Fund, $200; Canadian Legion Active Service Club, $65; overseas layettes, $25; women's overseas bales, $10; airmen's wives, $12; civilian defense, $44; Boy Scout war work, $25; Navy League ditty bags, $122; Poppy Fund, $10; Christmas cards for soldiers' boxes, $36; furnishings for sergeants' mess, Burtch airport, $107; Russian relief, $100; upholstering chesterfield and chair for Burtch airport, $29; Chinese relief, $50; Canadian Legion quiz programme, $10. It adds up to nearly $7,000 and there's a comfortable balance on hand.

According to Mrs. Cockshutt, the main things the Brantford campaign has brought out are these:

1. It's important for any group starting such a campaign to get the backing and advice of the business community.

2. "Victory Bags" serve to dramatize the idea of salvage and drive it home to housewives. They make systematic collection of waste easy and regular. To a large extent they were responsible for the success of the Brantford effort.

3. It's a fallacy to think you can get along with purely volunteer help. One or two paid workers are necessary at a salvage warehouse, although every effort should be made to keep the number of paid workers to an absolute minimum.

4. Get the material out of your warehouse the same day you get it in—or the next day at the latest. Profits come from a quick turnover. If the stuff piles up, it will cause congestion and slow things down.

5. Educate people to sort the stuff they are sending in as salvage.

6. By and large, rags are the most profitable salvage material, in relation to the tonnage handled. Get housewives to save rags—all rags.

Basis of National Drive

There's an angle to this Brantford story which should be mentioned—the influence of the Brantford campaign on the nation.

The Dominion government, remember, was not salvage-minded to begin with. It was in September, 1940, that Hon. J. G. Gardiner, then minister of national war services as well as minister of agriculture, arrived at Brantford to address a Board of Trade dinner. While he was there, he looked into the salvage campaign. He was so impressed that as soon as he returned to Ottawa, he sent Dr. E. W. Stapleford to Brantford to study the entire plan.

Meanwhile, at Ottawa, Princess Alice interested herself in what had been done at Brantford, and held a conference at Government House, which spurred the salvage movement through the Dominion.

During this time word of Brantford's achievements was spreading across the country, and across the border.

A former Brantford woman, who had lived in Detroit for years, spent part of her holiday driving to Brantford with a load of salvage. Scarsdale, New York, wrote asking how you went about a salvage campaign. So did Winnipeg. So did Charlottetown, P.E.I. So did Westmount, Que. So did Moncton, N.B. So did Montreal. So did more than half a hundred other Canadian municipalities.

The inquiries poured in at such a rate that it was necessary to mimeograph a form letter which incorporated the answers.

There is no guarantee, of course, that if you have the answers, you can equal Brantford's record.

There has to be enthusiasm and efficiency and the type of sustained effort shown by the Brantford Local Council of Women, which represents 36 women's groups with hundreds of members.

But, with the answers, with the enthusiasm, with the efficiency, any town can be like Brantford, where nobody throws away anything which has salvage value. In these days, every town should be!

ELECTED TO DIRECTORATE OF CRANE

ERNEST J. LAIDLAW (left), manager of the company's government liaison department, Ottawa, and JOHN L. HOLLOWAY, vice-president in charge of finance, Crane Co., Chicago, were elected directors of Crane Ltd. at the annual meeting in Montreal. Mr. Laidlaw has served the company in Toronto, Hamilton and London, England. Mr. Holloway interrupted his studies in engineering at the University of Manitoba to proceed overseas in 1916 and has had a broad experience in many phases of the company's operations.

Shortage of Teachers Becoming More Acute

A serious shortage of school teachers is forecast by J. H. Sutherland, of Vancouver, president of the Canadian Teachers' Federation.

He says hundreds of special permits will have to be issued in September to authorize untrained personnel to fill teaching vacancies.

According to Mr. Sutherland, the low salaries paid teachers are causing many of them to leave their profession and go into war industry, where they can earn more money. In addition, the enlistment rate among younger male teachers has been high, and women teachers have flocked to join women's branches of the army and air force.

Fewer Training

The situation is further aggravated by the fact that the usual flow of students to normal schools has been reduced because so much employment is available in other lines.

Mr. Sutherland believes the teacher shortage has reached a point where the federal government should step in. The British government has increased educational money grants and taken other steps to assure that the schools will retain trained teachers.

The Canadian Teachers Federation has set out its views in four points:

1. A sound education for our youth is necessary if the high democratic morale essential for an all-out war effort is to be maintained.

2. A competently trained teaching personnel must be retained if our schools are to function in the interests of a democratic state.

3. The Dominion government has a definite responsibility in providing sound education for Canadian youth.

4. The Dominion government must assume some share of the cost of education.

Half Earn Below $1,000

Mr. Sutherland gives these statistics on school teachers' salaries:

Of 60,000 teachers in the regular schools, 13,000 receive $525 a year or less, 19,000 receive $625 a year or less and 30,000 receive $1,000 a year or less.

The great majority of the 30,000 in this class are in rural areas.

The president of the Teachers' Federation estimates that in Alberta in September it will be necessary to license 300 untrained people as teachers, in Saskatchewan from 600 to 1,000, and in Manitoba from 600 to 1,000. He is of the opinion that some other provinces will have to follow suit.

A report on teachers' salaries prepared by the research committee of the Canadian Teachers' Federation in 1939 showed that in the two years previous to that 32% of all Canadian teachers received less than $50 a month, 60% less than $75 a month, and 73% less than $100 a month.

It went on to show that more than 10,000 teachers were paid less than the mean legal minimum for female juveniles in industry; that 19,000 were paid less than the same minimum for experienced women in industry; that 25,000 were paid less than the girls who bind the textbooks; that nearly 37,000 were paid less than the mean minimum for unskilled factory labor; and that about 53,000 were paid less than skilled union workmen.

Since these statistics were compiled, teachers' salaries have shown an upward trend, but educational officials say they have not increased in ratio to the cost of living, and that neither have they increased at the same rate as wages of other groups. The net result is that today they are in many cases worse off than in 1939, it is stated.

Montreal Power Spends $4 Millions

From Our Own Correspondent

MONTREAL.—More than $4 millions for property additions and improvements will be spent by Montreal Light Heat and Power Cons. during 1942, according to John S. Norris, president. This will bring capital expenditures since the outbreak of the war to upward of $13 millions, practically all of which is for war purposes.

The work for the current year involves further generation and distribution facilities in the way of canal extension at Beauharnois and new substations in the Montreal territory. Work on the canal consists of excavating eight million yards of earth and rocks, and an additional control dam at Coteau. The two new substations will have a combined ultimate capacity of 120,000 kilowatts.

Sets New Record

Mr. Norris also announces electricity production for the first quarter of the year reached an all-time record high level.

For the three months ended March 31 of the current year, the system output amounted to 1,267 million kw.h., an increase of 302.5 million kw.h. over output in the like period of the first war year.

Gas output, although not on such a large scale, says Mr. Norris, also reflects the war demand. Gas output figures for the three months ended March 31 of the current year totalled 1,304 million cu. ft., an increase of 4.18% over the returns for the same period last year.

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